Risk Factors Comparison 2024-02-29 to 2023-03-01 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our ~~The Company' s~~ business, operations and financial condition are subject to various risks and uncertainties. **We** ~~The Company urges~~ - **urge** you to carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10- K, including those risks set forth under the heading entitled " Important Notice to Investors Regarding Forward- Looking Statements, " and in other documents that **we** ~~the Company files~~ - **file** with the Commission, before making any investment decision with respect to **our** ~~the Company' s~~ securities. If any of the risks or uncertainties actually occur or develop, **our** ~~the Company' s~~ business, financial condition, results of operations and future growth prospects could be adversely affected. Under these circumstances, the trading prices of **our** ~~the Company' s~~ securities could decline, and you could lose all or part of your investment in **our** ~~the Company' s~~ securities. Risks Related to **our** ~~the Company' s~~ Industry and Business A reduction in the number of rounds...... affect the Company' s sales. Unfavorable economic conditions, including as a result of inflation or otherwise, could have a negative impact on consumer discretionary spending and therefore negatively impact **our** ~~the Company' s~~ results of operations, financial condition and cash flows. **Our** ~~The Company' s~~ golf- related products and ~~services~~ **entertainment offerings** are recreational in nature and are therefore discretionary purchases for consumers. In addition, ~~the~~ **our** Topgolf venues business is dependent upon consumer and corporate discretionary spending on leisure and entertainment- based offerings. Consumers are generally more willing to make discretionary purchases of golf products and to spend on leisure and out- of- home entertainment during favorable economic conditions and when consumers are feeling confident and prosperous. **Our** ~~The Company' s~~ soft goods and apparel products are similarly dependent on consumer discretionary spending and retail traffic patterns. In particular, **our** ~~the Company' s~~ outdoor apparel, gear and accessories brands are premium in nature and, therefore, the purchasing patterns of consumers can vary year to year. ~~The~~ **Our** Topgolf venues business offers a leading technology- enabled golf entertainment option for consumers, with an innovative platform that comprises ~~its~~ **our** state- of- the- art open- air golf and entertainment venues. The demand for these entertainment and recreational activities is highly sensitive to downturns in the economy and the corresponding impact on discretionary consumer spending. Any actual or perceived deterioration or weakness in general, regional or local economic conditions, unemployment levels, the job or housing markets, consumer debt levels or consumer confidence, as well as other adverse economic or market conditions due to inflation ~~,~~ or otherwise may lead to customers having less discretionary income to spend on entertainment and recreational activities, and may result in significant fluctuations and spending patterns year to year. Discretionary spending is also affected by many other factors, including general business conditions, interest rates, the availability of consumer credit, taxes and consumer confidence in future economic conditions. Purchases of **our** ~~the Company' s~~ products and ~~services~~ **entertainment offerings** could decline during periods when disposable income is lower, or during periods of actual or perceived unfavorable economic conditions. A significant or prolonged decline in general economic conditions or uncertainties regarding future economic prospects that adversely affect consumer discretionary spending, whether in the United States or in **our** ~~the Company' s~~ international markets, could result in reduced sales of **our** ~~the Company' s~~ products ~~and services~~ and reduce demand and spending on **our** ~~the Company' s~~ entertainment offerings, including Topgolf, which in turn would have a negative impact on **our** ~~the Company' s~~ results of operations, financial condition and cash flows. A reduction in the number of rounds of golf played or in the number of golf participants could adversely affect **our** ~~the Company' s~~ sales. **We are** ~~The Company is~~ a technology- enabled modern golf company delivering leading golf equipment,apparel and entertainment,with a portfolio of global brands including Callaway Golf,Topgolf,Odyssey,OGIO,TravisMathew and ~~Jack Wolfskin~~ **BigShots Golf** . **We** ~~The Company generates~~ - **generate** a substantial portion of ~~its~~ **our** revenues from the sale of golf- related products,including golf clubs,golf balls and golf accessories.In addition, **we** ~~the Company generates~~ - **generate** substantial revenues from the sale of golf- related soft goods,including apparel **,gear and other accessories.** The ~~Company revenues from the sale of golf- related soft goods,including apparel,gear and other accessories.The~~ demand for golf- related products in general,and golf balls in particular,as well as the demand for golf- related soft goods,is directly related to the number of golf participants and the number of rounds of golf being played by these participants. **Golf participation is impacted by,among other things,the demographics (including age of golfers),dedication levels,weather and economic conditions.** If golf participation decreases or the number of rounds of golf played decreases,sales of **our** ~~the Company' s~~ products may be adversely affected.In the future,the overall dollar volume of the market for golf- related products may not grow or may decline.Further, **we** ~~the Company generates~~ - **generate** substantial ~~revenues~~ - **revenue** from ~~its~~ **our** Topgolf business.The demand for golf and overall popularity of the sport,including through increased off- course golf participation,is tangentially related to overall guest traffic and spending at each of the Topgolf venues,and therefore ~~could adversely affect~~ **,if demand for golf or the overall popularity of the sport decreases,** Topgolf sales **could be adversely affected** .In addition,the demand for golf products,golf entertainment and other soft goods and apparel is directly related to the popularity of magazines,cable channels and other media dedicated to golf,television coverage of golf tournaments and attendance at golf events. **We** ~~The Company depends~~ - **depend** on the exposure of ~~its~~ **our** products through advertising and the media or at golf tournaments and events.Any significant reduction in television coverage of,or attendance at,golf tournaments and events ~~(whether as a result of COVID- 19- related restrictions or otherwise)~~ or any significant reduction in the popularity of golf magazines or golf television channels,could reduce the visibility of **our** ~~the Company' s~~ brand and could adversely affect ~~the Company'~~ **our sales.We** may have limited opportunities for future growth in sales of golf clubs and golf balls. In order for **us** ~~the Company~~ to significantly grow ~~its~~ **our** sales of golf clubs or golf balls, **we** ~~the Company~~ must either increase ~~its~~ **our** share of the market for golf clubs or golf balls, develop markets in geographic regions historically underrepresented by **our** ~~the Company' s~~ products, or the overall market for golf clubs or golf balls must grow. **We** ~~The Company~~ already ~~has~~ **have** a significant share of worldwide sales of golf clubs and golf balls and the golf industry is very competitive. As such, gaining incremental market share quickly or at all is difficult. Therefore, opportunities for additional market share may be limited given the challenging competitive nature of the golf industry, and the overall dollar volume of worldwide sales of golf clubs or golf balls may not grow or may decline. **We** ~~The Company, including Topgolf, its franchisees and licensees,~~ may face increased labor costs or labor shortages **, in particular with respect to our Topgolf venues business and our franchisees and licensees,** that could slow growth and adversely affect ~~its~~ **our** business, results of operations and financial condition. Labor is a significant component in the cost of operating ~~the~~ **our** business **generally** ~~of the Company~~ , and a primary component in operating ~~the~~ **our Topgolf venues** business ~~of~~ **and in our relationships with our** Topgolf ~~and its~~ franchisees and licensees. If **we** ~~the Company faces~~ - **face** labor shortages or increased labor costs because of increased competition for employees, higher employee turnover rates, the impact of ~~the COVID- 19 pandemic or other~~ pandemics, increases in the federally- mandated or state- mandated minimum wage, changes in exempt and non- exempt status, or other employee benefits costs (including costs associated with health insurance coverage or workers' compensation insurance), **our** ~~the Company' s~~ operating expenses could increase and ~~its~~ **our** growth could be adversely affected. In particular, Topgolf has a substantial number of ~~employee associates ("~~ Playmakers ~~")~~ who are paid wage rates at or based on the applicable federal or state minimum wage, and increases in the applicable minimum wage will increase labor costs. From time to time, legislative proposals are made to increase the minimum wage at the federal or state level. As federal, state or other applicable minimum wage rates increase, **we** ~~the Company~~ may be required to increase not only the wage rates of minimum wage Playmakers or other employees, but also the wages paid to other hourly employees. It may not be possible to increase prices in order to pass future increased labor costs on to customers, in which case **our** ~~the Company' s~~ margins would be negatively affected. ~~At~~ **With respect to our** Topgolf **business** , reduced margins could make it more difficult to attract new franchisees and licensees and to retain existing franchisee and licensee relationships. If **we are** ~~the Company is~~ able to increase prices to cover increased labor costs, the higher prices could result in lower participation and therefore lower revenues, which may also reduce margins, as well as the fees received from **our** ~~Topgolf' s~~ franchisees and licensees. Furthermore, the successful operation of **our** ~~the Company' s~~ business depends upon ~~its~~ **our** ability to attract, motivate and retain a sufficient number of qualified executives, managers and skilled employees. From time to time, there may be a shortage of skilled labor in certain of the communities in which **we** ~~the Company operates~~ - **operate** , including where ~~its~~ **our** Topgolf venues are located. Shortages of skilled labor may make it increasingly difficult and expensive to attract, train and retain the services of a satisfactory number of qualified employees, which, with respect to Topgolf, could delay the planned openings of new Company- operated and franchised venues and adversely impact the operations and profitability of existing venues. Furthermore, competition for qualified employees, particularly in markets where such shortages exist, could require **us** ~~the Company~~ to pay higher wages, which could result in higher labor costs. In particular, ~~Topgolf~~ **we** ~~experiences~~ - **experience** intense competition to attract and retain skilled game developers and content creators, and failure to do so may delay the implementation of **our** ~~Topgolf' s~~ business strategy and growth plans. Companies in **our** ~~the Company' s~~ industry have also historically experienced relatively high turnover rates, which may also result in higher labor costs. Accordingly, if **we are** ~~the Company is~~ unable to recruit and retain sufficiently qualified individuals, ~~its~~ **our** business, results of operations, financial condition and growth prospects could be materially and adversely affected. Some, but not all, of **our** ~~the Company' s~~ employees are currently covered under collective bargaining agreements. In the future, additional employees, including ~~Topgolf~~ Playmakers, may elect to be represented by labor unions. If a significant number of additional employees were to become unionized and collective bargaining agreement terms were significantly different from current compensation arrangements, it could adversely affect **our** ~~the Company' s~~ business, financial condition or results of operations. In addition, a labor dispute involving some or all employees may harm **our** ~~the Company' s~~ reputation, disrupt operations and reduce revenue, and resolution of disputes may increase costs. Further, if ~~Topgolf~~ **we or** ~~or~~ **our** ~~its~~ franchisees enter into a new market with unionized construction companies, or the construction companies in ~~Topgolf or~~ **our** ~~its~~ **or our** franchisees' current markets become unionized, construction and build- out costs for new venues in such markets could materially increase. In addition, immigration reform continues to attract significant attention in the public arena and the U. S. Congress. If new immigration legislation is enacted, such laws may contain provisions that could increase **our** ~~the Company' s, including Topgolf' s~~ and ~~its~~ **our** U. S. franchisees' and licensees' ~~,~~ costs in recruiting, training and retaining employees. Also, although **our** ~~the Company' s~~ hiring practices comply with the requirements of federal law in reviewing employees' citizenship or authority to work in the United States, **we do** ~~the Company does~~ not monitor or control the hiring practices of **our** Topgolf ~~' s~~ franchisees and licensees, and increased enforcement efforts with respect to existing immigration laws by governmental authorities may disrupt a portion of **our** ~~the Company' s~~ workforce or the operations at ~~its~~ **our** venues, or the workforce or operations of licensees, thereby negatively impacting ~~its~~ **our** business ~~. The COVID- 19 pandemic has had, and may continue to have, a material and adverse effect on the Company' s business, financial condition and results of operations. The outbreak of COVID- 19 has created considerable instability and disruption in the U. S. and world economies. In March 2020, the World Health Organization declared COVID- 19 a global pandemic, and domestic and international governmental authorities around the world have issued orders, mandates, decrees and directives (collectively, " COVID Orders "), including travel restrictions, " stay- at home " orders and " social distancing " measures and business shutdowns. These measures have adversely affected the Company' s workforce, customers, consumer sentiment, economies, and financial markets, and, along with decreased consumer spending, have led to an economic downturn in many of the Company' s markets. With respect to the Topgolf business, certain of its venues were required to be closed for a period of time under the COVID Orders. Although currently all Topgolf venues have re- opened, there can be no assurance that additional closures or re- closures will not be mandated in the future. Additionally, as a result of COVID Orders, Topgolf was limited in its ability to host large group events in certain jurisdictions, which resulted in a~~

~~reduction of revenue from such events per past practice. Topgolf also has faced, and may continue to face, difficulties in maintaining adequate staffing at venues due to illness, difficulty in recalling Playmakers that may be furloughed if venues are required to temporarily close again or a reduction in Playmakers willing to work in public gathering places. As a result, its business, operating results and financial condition have been, and will continue to be, materially and adversely affected. Future outbreaks of other diseases such as avian flu, sudden acute respiratory syndrome (also known as SARS), swine flu or influenza may similarly impact Topgolf. In addition, the COVID- 19 pandemic has caused significant disruption in the Company' s supply and distribution chains for its golf equipment, apparel and other products and services sold globally, and resulted in temporary closures of its corporate offices, manufacturing facilities and retail stores around the world. Further, the Company has been, and may continue to be, negatively impacted by the heightened governmental regulations and travel advisories, recommendations by the U. S. Department of State, the Centers for Disease Control and Prevention and similar foreign authorities, and travel bans and restrictions, each of which has significantly impacted, and may continue to significantly impact, travel of customers to its retail locations and to Topgolf' s domestic and international venues. To the extent the COVID- 19 pandemic adversely affects the Company' s business, financial condition and results of operations, it may also have the effect of heightening many of the other risks described in this Item 1A and " Management' s Discussion and Analysis of Financial Condition and Results of Operations " under Item 7 below, including, without limitation, risks relating to changes in demand for the Company' s products and services or the supply of the components and materials used to make its products, level of indebtedness, need to generate sufficient cash flows to service the Company' s indebtedness, ability to comply with the obligations and financial covenants contained in the Company' s existing credit facilities, availability of adequate capital, the ability to execute the Company' s strategic plans, U. S. trade, tax or other policies that restrict imports or increase import tariffs, ability to successfully operate its expanding retail stores and venues, and regulatory restrictions. In addition, if in the future there is a further outbreak of COVID- 19 or a variation thereof, or an outbreak of another highly infectious or contagious disease or other health concern, the Company may be subject to similar risks as posed by COVID- 19~~. A severe or prolonged economic downturn could adversely affect **our** ~~the Company' s~~ customers' financial condition, their levels of business activity and their ability to pay trade obligations. **We** ~~The Company~~ primarily ~~sells~~ - **sell** ~~its~~ **our** golf and apparel products to retailers ~~directly and through wholly- owned domestic and foreign subsidiaries,~~ and to foreign distributors. **We** ~~The Company performs~~ - **perform** ongoing credit evaluations of ~~its~~ **our** customers' financial condition and generally ~~requires~~ - **require** no collateral from these customers. However, a severe or prolonged downturn in the general economy could adversely affect the retail market which in turn, would negatively impact the liquidity and cash flows of ~~the Company' s~~ customers, including the ability of such customers to obtain credit to finance purchases of **our** ~~the Company' s~~ products and to pay their trade obligations. A failure by **our** ~~the Company' s~~ customers to pay on a timely basis a significant portion of outstanding account receivable balances would adversely impact **our** ~~the Company' s~~ results of operations, financial condition and cash flows. **We** ~~The Company faces~~ - **face** intense competition in each of ~~its~~ **our** markets and operating segments, and if ~~it is~~ **we are** unable to compete effectively, it could have a material adverse effect on ~~its~~ **our** business, results of operations, financial condition and growth prospects. Topgolf. The Topgolf business operates primarily in the consumer entertainment industry, which remains highly competitive. Consumers today have a wide variety of options when deciding how to spend their leisure time and discretionary entertainment dollars. Topgolf' s venues compete for consumers' time and discretionary entertainment dollars against a broad range of other out- of- home entertainment options, as well as increasingly sophisticated forms of home- based entertainment. Other out- of- home entertainment options against which ~~Topgolf~~ **we** ~~competes~~ - **compete** include other dining and entertainment venues, sports activity centers, traditional driving ranges and other establishments offering simulated golf or multi- sport experiences (including Toptracer Range and ~~Full~~ Swing **Suite** licensees), arcades and entertainment centers, movie theaters, sporting events, bowling alleys, nightclubs, casinos, bars and restaurants. In many cases, these businesses, or the entities operating them, are larger **than us** and have significantly greater financial resources and name recognition, longer operating histories, and concepts with which consumers may be more familiar, and are better established in the markets where venues are located or are planned to be located. As a result, these competitors may be able to invest greater resources or implement more aggressive strategies to attract consumers, including with respect to pricing, and, accordingly, may succeed in attracting those who would otherwise come to Topgolf' s venues **, causing us to lose market share or sales, or forcing us to reduce our prices to meet the competition** . Home- based entertainment options against which Topgolf' s venues compete include internet and video gaming, as well as movies, television and other on- demand content from streaming services. Further, in some cases consumer demand has shifted towards home- based entertainment options and away from out- of- home entertainment, including Topgolf' s products and services, **including** as a result of the impact of the COVID- 19 pandemic, which may result in greater competition from home- based entertainment options in the future. The failure of **our** Topgolf ~~' s~~ venues to compete favorably against these other out- of- home and home- based entertainment options could have a material adverse effect on **our** ~~Topgolf' s~~ business, results of operations and financial condition. ~~Topgolf~~ **We** also ~~faces~~ - **face** intense competition across ~~its~~ **our** other **Topgolf** business lines. In particular, the International and Toptracer business lines compete against other companies to attract and retain qualified franchisees and licensees. WGT and the content ~~Topgolf~~ **we** ~~produces~~ - **produce** through Topgolf Studios also competes for consumer attention and leisure time against the other home- based entertainment alternatives described above, particularly content focused on sports, including golf. From a commercial perspective, ~~Topgolf~~ **we** also ~~competes~~ - **compete** against other businesses seeking corporate sponsorships and other commercial partners, such as sports teams, entertainment events and television and digital media outlets, and competes against television and digital content providers seeking advertiser or sponsorship income. **Our** Topgolf ~~' s~~ growth strategy and prospects will be materially impaired if ~~it is~~ **we are** unable to compete successfully in these aspects of ~~its~~ **our** business. Golf Equipment. The golf equipment business, which is comprised of golf club and golf ball products, is highly competitive, and is served by a number of well- established and well- financed companies with recognized brand names. The golf ball business, in particular, includes one competitor with an estimated U. S.

market share of over 50 %. With respect to golf club sales, new product introductions, price reductions, consignment sales, extended payment terms, “ closeouts, ” including closeouts of products that were recently commercially successful, and significant tour and advertising spending by competitors continue to generate intense market competition. Furthermore, downward pressure on pricing in the market for new **golf** clubs could have a significant adverse effect on **our** ~~the Company’ s~~ pre- owned golf club business as the gap narrows between the cost of a new club and a pre- owned club. Successful marketing activities, discounted pricing, consignment sales, extended payment terms or new product introductions by competitors could negatively impact **our** ~~the Company’ s~~ future sales. With respect to golf ball sales, **our** ~~the Company’ s~~ competitors continue to incur significant costs in the areas of advertising, tour and other promotional support. **We** ~~The Company believes~~ - **believe** that to be competitive, ~~it~~ **we** also ~~needs~~ - **need** to continue to incur significant expenses in tour, advertising and promotional support. In addition, **we have** ~~the Company has~~ invested, and may continue to invest in the future, significant capital into upgrades to ~~its~~ **our** manufacturing and assembly facilities, including ~~its~~ **our** golf ball manufacturing facility in Chicopee, Massachusetts, to remain on the forefront of technological and competitive innovation. Unless there is a change in competitive conditions, these competitive pressures and increased costs will continue to adversely affect the profitability of **our** ~~the Company’ s~~ golf equipment business. Active Lifestyle. **Our** ~~The Company’ s~~ Active Lifestyle segment includes the TravisMathew golf and lifestyle apparel and accessories business, the Jack Wolfskin outdoor apparel, gear and accessories business, the Callaway soft goods business and the OGIO business, which consists of golf apparel and accessories (including golf bags and gloves), storage gear for sport and personal use, and royalties from licensing of **our** ~~the Company’ s~~ trademarks and service marks for various soft goods products. **We** ~~The Company faces~~ - **face** significant competition in every region with respect to each of these product categories. In most cases, **we are** ~~the Company is~~ not the market leader with respect to ~~its~~ **our** apparel, gear and accessory markets **, and many of our competitors have significant competitive advantages, including longer operating histories, larger customer bases, greater brand recognition and greater financial resources. Our competitors may be willing to discount prices and accept lower profit margins to compete with us and, as a result, we may lose market share and sales, or be forced to reduce our prices to meet competition** . If **we are** ~~the Company is~~ unable to grow or maintain ~~its~~ **our** competitive position in any of ~~its~~ **our** business areas, it could materially adversely affect **our** ~~the Company’ s~~ business, financial condition and results of operations. **Our** ~~The Company’ s~~ expanding apparel business, and operation of related retail locations, is subject to various risks and uncertainties, and **our** ~~the Company’ s~~ growth and strategic plans may not be fully realized. **We have** ~~The Company has~~ been expanding ~~its~~ **our** focus over the last several years to include soft goods and apparel, in addition to ~~its~~ **our** core golf business, primarily through ~~the~~ **our** acquisitions of **the** OGIO ~~and~~ **,** TravisMathew ~~in 2017~~ and Jack Wolfskin **brands** ~~in 2019~~ . Jack Wolfskin is an international, premium outdoor apparel, footwear and equipment brand, and ~~it~~ **our Jack Wolfskin business** designs products targeted at the active outdoor and urban outdoor customer categories. The scale and global scope of Jack Wolfskin involves various risks and uncertainties described throughout this Annual Report on Form 10- K, including in this “ Risk Factors ” section, as well as the following: • maintaining ~~its~~ **our** market share in ~~its~~ **our** key markets such as Germany, Austria, Switzerland and China in the face of increasing competition and new competitors; • difficulties in developing the Jack Wolfskin brand in ~~the~~ North ~~American~~ - **America** and other **regions** ~~target markets~~ ; • significant competition from existing premium outdoor apparel companies in target markets; • continually changing consumer preferences; and • difficulties in managing or realizing sustainable profitability from Jack Wolfskin’ s large network of global wholesale retail partners, consisting of hundreds of third party owned retail locations. Additionally, as a result of ~~the Company’ s~~ **our TravisMathew, Jack Wolfskin, and** golf apparel ~~joint venture~~ **retail businesses** in Japan ~~in July 2016~~ and **Korea** ~~the acquisitions of TravisMathew in August 2017 and Jack Wolfskin in January 2019~~ , **we** ~~the Company~~ now ~~maintains~~ - **maintain** over ~~190~~ **234** retail locations around the world. **Our** ~~The Company’ s~~ retail operations are subject to various factors that pose risks and uncertainties and which could adversely impact **our** ~~the Company’ s~~ financial condition and operating results. Such factors include, but are not limited to, macro- economic factors that could have an adverse effect on retail activity generally; **our** ~~the Company’ s~~ ability to successfully manage retail operations and a disparate retail workforce across various jurisdictions; **our** ~~the Company’ s~~ ability to successfully open and maintain new retail stores in new markets; governmental restrictions or public safety measures put in place as a result of the COVID- 19 pandemic **or other pandemics** , resulting in such retail stores operating in a more limited capacity and with fewer in- person customers; to manage costs associated with retail store operations and fluctuations in the value of retail inventory; to manage relationships with existing retail partners; and to obtain and renew leases in quality retail locations at a reasonable cost and on reasonable and customary terms. If **we** ~~the Company fails~~ - **fail** to realize the expected benefits from ~~its~~ **our** expansion into soft goods and apparel or ~~is~~ **are** unsuccessful in ~~its~~ **our** operation of ~~its~~ **our** retail locations, **our** ~~the Company’ s~~ growth and strategic plans may not be fully realized, and ~~its~~ **our** business, financial condition and results of operations could be adversely affected. **Our** Topgolf ~~’ s~~ growth strategy depends in part on ~~its~~ **our** and ~~its~~ **our** franchisees’ ability to open new venues in existing and new markets. A key element of **our** Topgolf ~~’ s~~ growth strategy is to open additional venues in locations that ~~it~~ **we** ~~believes~~ - **believe** will provide attractive unit economics and returns on investment. **We** ~~As of December 31, 2022, Topgolf had 77 venues operating in the United States with an additional eight venues under construction, four Company- operated venues in the United Kingdom and five franchised venues (Australia, Mexico, United Arab Emirates, Germany and Thailand). The Company plans~~ - **plan** to open additional new **Topgolf** venues across flexible venue formats in the years to come. In **November 2023, we also purchased certain assets from affiliates of Invited, Inc. related to its BigShots Golf business. The acquisition included four BigShots- branded domestic venues, as well as certain other development rights for other potential venues, among other assets. In** addition, ~~Topgolf has~~ **we have** signed development agreements with various partners to open additional franchised **Topgolf** venues in countries across the world. ~~Topgolf~~ **Our** and ~~its~~ **our** franchisees’ ability to open new venues on a timely and cost- effective basis, or at all, is dependent on a number of factors, many of which are beyond **our** ~~Topgolf’ s~~ control, including ~~Topgolf~~ **our** and ~~its~~ **our** franchisees’ ability to: • identify and successfully compete against other potential lessees or purchasers to secure quality locations; • reach acceptable agreements regarding the lease or purchase of locations; • secure acceptable financing arrangements; • comply with applicable zoning, licensing, land use and environmental regulations; • overcome litigation or other opposition efforts brought by special interest groups; • raise or have available an adequate amount of money for construction and opening costs; • respond to unforeseen construction, engineering, environmental or other problems; • avoid or mitigate the impact of inclement weather, natural disasters and other calamities; • respond to infectious diseases, health epidemics and pandemics (including the COVID-19 pandemic); • timely hire, train and retain the skilled management and other Playmakers necessary to meet staffing needs; • obtain, in a timely manner and for acceptable cost, required licenses, permits and regulatory approvals, including liquor licenses, and respond effectively to any changes in local, state or federal law and regulations that adversely affect costs or ability to open new venues; and • efficiently manage the amount of time and money used to build and open each new venue. In addition, ~~Topgolf has~~ **we have** relied, and ~~expects~~ - **expect** to continue to rely, primarily on the services of a single design / build contractor for the construction of **Topgolf** venues. For venues in certain locations, **our** ~~Topgolf' s~~ reliance on this contractor may result in additional costs or delay. Though ~~Topgolf~~ **we** ~~believes~~ - **believe** ~~it~~ **we** would be able to find one or more replacements if ~~it~~ **we** were to lose ~~its~~ **our** relationship with this contractor or if ~~its~~ **their** services otherwise became unavailable, there can be no guarantee that ~~Topgolf~~ **we** would be able to do so without incurring additional costs and delay, or that the terms of arrangements with any such replacement would not be less favorable to ~~Topgolf~~ **us** . There can be no guarantee that a sufficient number of suitable Topgolf venue sites will be available in desirable areas or on terms that are acceptable to ~~Topgolf~~ **us** in order to achieve ~~its~~ **our** growth plan, or that ~~Topgolf~~ **we** will be successful in addressing the other risks inherent in ~~its~~ **our** business that will allow ~~it~~ **us** to open new **Topgolf** venues in a timely and cost- effective manner or at all. If ~~Topgolf is~~ **we are** unable to open new **Topgolf** venues, or if venue openings are significantly delayed or face other obstacles, **our** ~~the Company' s~~ revenues could be adversely affected and ~~its~~ **our** business negatively impacted. New Topgolf venues, once opened, may not be profitable or may close, which would adversely affect ~~the~~ **our** Topgolf business as well **as our** ~~the Company' s business,~~ financial condition and results of operations and ability to execute ~~its~~ **our** growth strategy. Even if ~~Topgolf~~ **we** and ~~its~~ **our** franchisees succeed in opening new **Topgolf** venues on a timely and cost- effective basis, there can be no guarantee that the profitability of these venues will be in line with that of existing venues or the performance targets ~~Topgolf has~~ **we have** set. New venues may even operate at a loss or close after a short operating period, which could have a significant adverse effect on **our** overall operating results. Historically, new venues often experience an initial start- up period with considerable sales volumes, which subsequently decrease to stabilized levels after their first year of operation, followed by increases in same venue sales in line with the rest of **our** ~~Topgolf' s~~ comparable venue base, although there can be no assurance that the same venue sales of any new venues opened in the future will increase in line with the rest of **our** ~~Topgolf' s~~ comparable venue base or that a new venue will succeed in the long term. ~~Topgolf~~ **Our** and ~~its~~ **our** franchisees' ability to operate new venues profitably may be affected by a number of factors, many of which are beyond ~~its~~ **our** control, including: • general economic conditions, which can affect venue traffic, local labor costs and prices for food products and other supplies to varying degrees in the markets in which venues are located; • changes in consumer preferences and discretionary spending; • difficulties obtaining or maintaining adequate relationships with distributors or suppliers in a given market; • inefficiency in labor costs and operations as newly hired Playmakers gain experience; • competition from other out- of- home entertainment options, including existing venues and the businesses of the Toptracer Range licensees, as well as a variety of home- based entertainment options; • temporary or permanent site characteristics of new venues; • changes in government regulation, including required licenses, permits and regulatory approvals, including liquor licenses; • the impact of infectious diseases, health epidemics and pandemics ~~(including the COVID- 19 pandemic)~~ on factors impacting **our** ~~Topgolf' s~~ business, including but not limited to changes in consumer preferences and discretionary spending, the ability and cost of suppliers to deliver required products and health and public safety regulations; and • other unanticipated increases in costs, any of which may impair profitability at a specific venue or more broadly. Furthermore, as part of **our** ~~Topgolf' s~~ longer- term growth strategy, ~~it~~ **we** may open **Topgolf** venues in geographic markets in which ~~Topgolf has~~ **we have** little or no operating experience. These **and other** markets **that we enter** may have different competitive conditions, consumer tastes and discretionary spending patterns than existing markets, which may cause new venues to be less successful or profitable than venues in existing markets. The challenges of opening venues in new markets include, among other things: difficulties in hiring experienced personnel, lack of familiarity with local real estate markets and demographics, lack of familiarity with local legal and regulatory requirements, different competitive and economic conditions, and consumer tastes and discretionary spending patterns that may be more difficult to predict or satisfy than in existing markets. In addition, **our** ~~Topgolf' s~~ marketing and advertising programs may not be successful in generating brand awareness in all local markets, and lack of market awareness of the Topgolf brand may pose additional risks. Venues opened in new markets may open at lower average weekly revenues than venues opened in existing markets, and may have higher venue- level operating expense ratios than venues in existing markets. Sales at venues opened in new markets may also take longer to reach expected revenue levels, if they are able to do so at all, thereby adversely affecting overall profitability. Any failure to recognize or respond effectively to these challenges may adversely affect the success of any new venues and impair **our ability to grow our** Topgolf ~~' s ability to grow its~~ business. If **we are** ~~the Company is~~ unable to successfully manage the frequent introduction of new products in ~~its~~ **our** golf equipment business that satisfy changing consumer preferences, it could significantly and adversely impact ~~its~~ **our** financial performance and prospects for future growth. **Our** ~~The Company' s~~ main golf equipment products, like those of ~~its~~ **our** competitors, generally have life cycles of two- to- three years, with sales occurring at a much higher rate in the first year than in the second and third years. Factors driving these short product life cycles include the rapid introduction of competitive products and consumer demands for the latest technology. In this marketplace, a substantial portion of **our** ~~the Company' s~~ annual revenues is generated each year by products that are in their first year of their product life cycle. These marketplace conditions raise a number of issues that **we** ~~the Company~~ must successfully manage. For example, **we** ~~the Company~~ must properly anticipate consumer preferences and design products that meet those preferences while also complying with significant restrictions imposed on golf equipment by the Rules of Golf (see further discussion of the Rules of Golf below) or ~~its~~ **our** new products will not achieve sufficient market success to compensate for the usual decline in sales experienced by products already in the market. Second, **our** ~~the Company' s~~ research and development and supply chain groups face constant pressures to design, develop, source and supply new products that perform better than their predecessors, many of which incorporate new or otherwise untested technology, suppliers or inputs. Third, for new products to generate equivalent or greater revenues than their predecessors, they must either maintain the same or higher sales levels with the same or higher pricing, or exceed the performance of their predecessors in one or both of those areas. Fourth, the relatively short window of opportunity for launching and selling new products requires great precision in forecasting demand and assuring that supplies are ready and delivered during the critical selling periods. Finally, the rapid changeover in products creates a need to monitor and manage the closeout of older products both at retail and in **our** ~~the Company' s~~ own inventory. Should **we** ~~the Company~~ not successfully manage the frequent introduction of new products that satisfy consumer demand, **our** ~~the Company' s~~ results of operations, financial condition and cash flows could be significantly adversely affected. **Our active lifestyle** ~~The Company' s soft goods and apparel~~ and Topgolf venues businesses face risks associated with changed consumer tastes and preferences and fashion trends. **Our** ~~The Company' s~~ expanding ~~apparel~~ **active lifestyle** business and ~~its~~ **our** Topgolf venues business are subject to pressures from changing consumer tastes and preferences on a global level and, as a result, **we are** ~~the Company is~~ dependent on ~~its~~ **our** ability to timely introduce products and services that anticipate and / or satisfy such preferences. With respect to Topgolf, consumer and corporate discretionary spending on entertainment and leisure is affected by consumer tastes and preferences, which are subject to change, and there can be no guarantee that golf- oriented entertainment will continue to appeal to consumers. Any decline in guest traffic **,** ~~and / or~~ guest spending **, or both,** in **our** Topgolf ~~' s~~ venues, whether resulting from unfavorable economic conditions or changes in consumer preferences, will reduce revenue in **our** Topgolf ~~' s~~ venues business, impair the value of **the** Topgolf ~~' s~~ brand and impact **our** ~~Topgolf' s~~ ability to attract new franchisees, licensees and commercial partners and generate sponsorship revenue, all of which could have a material adverse effect on **our** ~~the Company' s~~ business, results of operations, financial condition and growth prospects. With respect to **our active lifestyle** ~~the Company' s soft goods and apparel~~ business, changes in consumer preferences, consumer purchasing behavior, consumer interest in recreational or other outdoor activities, and fashion trends could have a significant effect on **our** ~~the Company' s~~ sales. **Our** ~~The Company' s~~ success depends on ~~its~~ **our** ability to identify and originate product trends as well as to anticipate, gauge and react to changing consumer demands and buying patterns in a timely manner. However, significant lead times for many of **our** ~~the Company' s~~ products, including OGIO, TravisMathew and Jack Wolfskin- branded products, may make it more difficult for **us** ~~the Company~~ to respond rapidly to new or changing product trends or consumer preferences. All of **our** ~~the Company' s~~ products are subject to changing consumer preferences that cannot be predicted with certainty. **Our** ~~The Company' s~~ new products may not receive consumer acceptance as consumer preferences could shift rapidly to different types of lifestyle products or away from these types of products altogether, and ~~its~~ **our** future success depends in part on ~~its~~ **our** ability to anticipate and respond to these changes. In addition, decisions about product designs often are made far in advance of consumer acceptance. If ~~the Company~~ **we or** ~~or~~ **our** ~~its~~ customers fail to anticipate and respond to consumer preferences or fail to respond in a timely manner or if ~~the Company~~ **we or** ~~or~~ **our** ~~its~~ customers are unable to effectively navigate a transforming retail marketplace, **we** ~~the Company~~ could suffer reputational damage to ~~its~~ **our** products and brands and ~~it~~ may experience lower sales, excess inventories and lower profit margins in current and future periods, any of which could materially adversely affect **our** ~~the Company' s~~ business, financial condition and results of operations. **Our** ~~The Company' s~~ golf equipment business and ~~its~~ **our** active lifestyle business each have a concentrated customer base. The loss of one or more of **our** ~~the Company' s~~ top customers could have a significant effect on **our** ~~the Company' s~~ sales. On a consolidated basis, no single customer accounted for more than 10 % of **our** ~~the Company' s~~ consolidated revenues in **2023,** 2022, **or** 2021 ~~, or 2020~~ . **Our** ~~The Company' s~~ top five customers accounted for approximately 12 % of **our** ~~the Company' s~~ consolidated revenues in **both 2023 and** 2022, **and** 13 % in 2021 ~~, and 20 % in 2020~~ . **Our** ~~The Company' s~~ top five customers specific to each operating segment represented the following as a percentage of each segment' s total net revenues: • Golf Equipment **top five** customers accounted for approximately **25 %,** 26 % ~~,~~ **and** 24 ~~% and 25~~ % of total consolidated Golf Equipment sales in **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively; and • Active Lifestyle **top five** customers accounted for approximately **19** ~~17 %, 17 % and 12~~ % of total consolidated Active Lifestyle **sales** in **2023, and 17 % in each of** 2022 ~~,~~ **and** 2021 ~~, and 2020, respectively~~ . Consolidation of retailers or concentration of retail market share among a few retailers may increase and concentrate **our** ~~the Company' s~~ credit risk, putting pressure on ~~its~~ **our** margins and ~~its~~ **our** ability to sell products relating to ~~its~~ **our** golf equipment and active lifestyle business segments. The off - course golf equipment and active lifestyle retail markets in some countries, including the United States, are dominated by a few large retailers. Certain of these retailers have in the past increased their market share and may continue to do so in the future by expanding through acquisitions and construction of additional stores. Industry consolidation has occurred in recent years, and additional consolidation is possible. These situations may result in a concentration of **our** ~~the Company' s~~ credit risk with respect to ~~its~~ **our** sales to such retailers, and, if any of these retailers were to experience a shortage of liquidity or other financial difficulties, or file for bankruptcy, it would increase the risk that their outstanding payables to **us** ~~the Company~~ may not be paid. This consolidation may also result in larger retailers gaining increased leverage, which may impact **our** ~~the Company' s~~ margins. In addition, increasing market share concentration among one or a few retailers in a particular country or region increases the risk that if any one of them substantially reduces their purchases of **our** ~~the Company' s~~ products, **we** ~~the Company~~ may be unable to find a sufficient number of other retail outlets for **our** ~~the Company' s~~ products to sustain the same level of sales. Any reduction in sales by **our** ~~the Company' s~~ retailers could materially adversely affect **our business, financial condition and results of operations. Changes in equipment standards under applicable Rules of Golf, including new rules intended to reduce distances through limitations on golf ball specifications, could adversely affect our business. We seek to have our new golf club and golf ball products satisfy the standards published by the USGA and The R & A in the**

Rules of Golf because ~~the~~ **these** ~~Company .Changes in equipment standards under applicable Rules of Golf could adversely affect the Company’ s business.The Company seeks to have its new golf club and golf ball products satisfy the standards published by the USGA and The R & A in the Rules of Golf because these~~ standards are generally followed by golfers,both professional and amateur,within their respective jurisdictions.The USGA publishes rules that are generally followed in the United States,Canada and Mexico,and The R & A publishes rules that are generally followed in most other countries throughout the world.However,the Rules of Golf as published by The R & A and the USGA are virtually the same and are intended to be so pursuant to a Joint Statement of Principles issued in 2001.In the future,existing USGA and / or R & A standards may be altered in ways that adversely affect the sales of **our** ~~the Company’ s~~ current or future products.If a change in rules were adopted and caused one or more of **our** ~~the Company’ s~~ current or future products to be nonconforming, **our** ~~the Company’ s~~ sales of such products would be adversely affected.For example **,in December 2023** ,the USGA and The R & A **adopted a rule change intended to reduce** ~~published the Distance Insights Project Report discussing the impact of hitting~~ distances **for all golfers through** ~~on the game of golf and have proposed~~ certain changes to **golf ball specifications by revising golf ball testing conditions used to prove golf ball conformance with** the **applicable** ~~Rules~~ **rules** ~~of Golf intended to limit distances for the longest hitters~~ . **The** ~~If the proposed~~ rule changes are ~~adopted~~ **to be effective in January 2028 for professional golfers and January 2030 for recreational golfers.This revision to golf ball testing is expected to result in reduced distances for all golfers** , **which may increase** ~~they~~ - **the** ~~could~~ **difficulty of the game,and thereby reduce the enjoyment of golf participants.If,as a result,golf becomes less popular,the number of golf participants and the number of rounds of golf being played may decrease,and sales of our products may be adversely impacted.In addition,we will be required to develop new golf ball products to comply with the new testing conditions.If our new golf ball designs do not achieve market success at least equal to our current golf ball products,our golf ball sales may be adversely affected.Any reduction in our golf ball sales or in golf participation as a result of the golf ball rollback or otherwise may** have ~~an~~ **a material** adverse ~~impact~~ **effect** on ~~the Company’ s products~~ **our results of operations,financial condition and cash flows** . **Our** ~~The Company’ s~~ sales and business could be materially and adversely affected if professional athletes,celebrities and other endorsers do not endorse or use **our products,or if the professional athletes,celebrities and** ~~the~~ **other** ~~Company’ s~~ **endorsers using our** products **receive less or negative publicity** . **We** ~~The Company establishes~~ -- **establish** relationships with professional athletes,celebrities and other endorsers in order to evaluate and promote Callaway Golf,Odyssey,OGIO and TravisMathew branded products and ~~its~~ **our** Topgolf business. **We have** ~~The Company has~~ entered into endorsement arrangements with members of various professional tours,including the Champions Tour,the PGA Tour,the LPGA Tour,the PGA European Tour,the Japan Golf Tour and the Korn Ferry Tour,and other celebrities.While most endorsers fulfill their contractual obligations,some have been known to stop using a sponsor ~~’ s products despite contractual commitments.If certain of the Company’ s endorsers were to stop using the Company’ s products contrary to their endorsement agreements,or if any such endorser is or becomes the subject of negative publicity,the Company’ s business could be adversely affected in a material way by the negative publicity or lack of endorsement.The Company believes that professional usage of its golf clubs and golf balls contributes to retail sales.The Company therefore spends a significant amount of money to secure professional usage of its products.Many other companies,however,also aggressively seek the patronage of these professionals and~~ ’ s **products despite contractual commitments. If certain of our endorsers were to stop using our products contrary to their endorsement agreements, or if any such endorser is or becomes the subject of negative publicity, our** business ~~, financial condition~~ **could be adversely affected in a material way by the negative publicity or lack of endorsement. We believe that professional usage of our golf clubs** and **golf balls contributes to retail sales. We therefore spend a significant amount of money to secure professional usage of our products. Many other companies, however, also aggressively seek the patronage of these professionals and offer many inducements, including significant cash incentives and specially designed products. There is a great deal of competition to secure the representation of tour professionals. As a** ~~results~~ - **result** ~~of operations~~ **, it is expensive to attract and retain such tour professionals** . The ~~Company~~ **inducements offered by other companies could result in a decrease in usage of our products by professional golfers or limit our ability to attract other tour professionals. In July 2022, LIV Golf, a competitor to the PGA Tour, launched its inaugural season. Some professional golfers who endorse, and have in the past endorsed, our products elected to compete on the LIV Golf tour. The PGA Tour has prohibited athletes who compete in LIV Golf events from further participation in PGA Tour events. To date, LIV Golf tournament broadcasts have generated substantially lower television viewership than broadcasts of PGA Tour events. Additionally, golfers participating in LIV Golf events are generally required to wear LIV team apparel, rather than apparel bearing our logos. As a result, our products have received substantially less publicity when a golfer who formerly endorsed our products elects to compete in LIV Golf events rather than PGA Tour events. In the future, additional endorsers of our products may elect to compete in LIV Golf rather than the PGA Tour, and there can be no assurance that LIV Golf television viewership will increase. Further, with the professional men** ’ s **golf landscape divided between the PGA Tour and LIV Golf, fewer events now showcase all top male professional golfers, which may cause a decrease in professional men’ s golf television viewership. A substantial reduction in viewership of professional men’ s golf tournaments could result in a reduction of visibility for our products and brands. A decline in the level of professional usage of our products or the amount of publicity received by our professional endorsers, or a significant increase in the cost to attract or retain endorsers, could have a material adverse effect on our sales and business. Our** business depends on strong brands and related reputations, and if **we are** ~~the Company is~~ not able to maintain and enhance **our** ~~the Company’ s~~ brands or preserve ~~its~~ **our** strong reputation, including as a result of actions taken by **Topgolf** franchisees and licensees, ~~its~~ **our** sales may be adversely affected. **Our** ~~The Company’ s~~ brands have worldwide recognition, and **our** ~~the Company’ s~~ success depends in large part on ~~its~~ **our** ability to maintain and enhance ~~its~~ **our** brand image and reputation. Maintaining, promoting and enhancing **our** ~~the Company’ s~~ brands may require **us** ~~the Company~~ to make substantial investments in areas such as product innovation, product quality, intellectual property protection, marketing and employee training, and these investments may not have the desired impact on **our** ~~the Company' s~~ brand image and reputation. **Our** ~~The Company' s~~ business could be adversely impacted if **we** ~~the Company fails -~~ **fail** to achieve any of these objectives or if the reputation or image of any of **our** ~~the Company' s~~ brands ~~is~~ **are** tarnished or receives negative publicity. In particular, **our** ~~Topgolf' s~~ ability to generate customer loyalty and attract and retain additional **Topgolf** franchisees, licensees and commercial partners depends, to a large extent, on the strength of ~~its~~ **our** brand and reputation. Any incident that erodes **our** ~~Topgolf' s~~ public image or brand integrity, including as a result of actions by **Topgolf** franchisees and licensees, could significantly impair the value of ~~its~~ **our** brand and **our** ~~Topgolf' s~~ ability to generate revenue. In addition, adverse publicity about regulatory or legal action against **us** ~~the Company~~ could damage ~~its~~ **our** reputation and brand image, undermine consumer confidence in **us** ~~the Company~~ and reduce long - term demand for ~~its~~ **our** products and services, even if the regulatory or legal action is unfounded or not material to ~~its~~ **our** operations. Also, as **we** ~~the Company seeks -~~ **seek** to grow ~~its~~ **our** presence in existing, and expand into new, geographic or product markets, consumers in these markets may not accept **our** ~~the Company' s~~ brand image and may not be willing to pay a premium to purchase **our** ~~the Company' s~~ products and services as compared to other brands. **We** ~~The Company anticipates -~~ **anticipate** that as ~~it~~ **we** ~~continues -~~ **continue** to grow ~~its~~ **our** presence in existing markets and expand into new markets, further developing **our** ~~the Company' s~~ brands may become increasingly difficult and expensive. If **we are** ~~the Company is~~ unable to maintain or further develop the image of **our** ~~the Company' s~~ brands, it could materially adversely affect **our** ~~the Company' s~~ business, financial condition and results of operations. In addition, there has been a marked increase in the use of social media platforms and other forms of internet- based communications that provide individuals and businesses with access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate, as is ~~its~~ **the** potential impact to affected individuals and businesses. Many social media platforms immediately publish the content posted by their subscribers and participants, often without filters or checks on the accuracy of the content posted. Accordingly, the use of social media vehicles by **us** ~~the Company, including Topgolf~~ and ~~its~~ **our** customers, Playmakers, franchisees, licensees or other third parties, such as professional athletes, celebrities and other social influencers, could increase costs, lead to litigation or result in negative publicity that could damage **our** ~~the Company' s and Topgolf' s~~ brand or reputation and have a material adverse effect on ~~its~~ **our** business, financial condition and results of operations. International political instability and terrorist activities may decrease demand for **our** ~~the Company' s~~ products and services and disrupt ~~its~~ **our** business. Terrorist activities and armed conflicts, including the continuation of the ~~conflict~~ **conflicts** between Russia and the Ukraine **and Israel and Hamas and the ongoing attacks by Houthi groups near the Suez canal**, could have an adverse effect on the United States or worldwide economy and could cause decreased demand for **our** ~~the Company' s~~ products and services as consumers' attention and interests are diverted from golf and become focused on issues relating to these events. If such events disrupt domestic or international air, ground or sea shipments, or the operation of **our** ~~the Company' s~~ manufacturing facilities, **our** ~~the Company' s~~ ability to obtain the materials and components necessary to manufacture ~~its~~ **our** products and to deliver customer orders would be harmed, which would have a significant adverse effect on **our** ~~the Company' s~~ results of operations, financial condition and cash flows. Such events can also negatively impact tourism, which could adversely affect **our** ~~the Company' s~~ sales to retailers at resorts and other vacation destinations. In addition, the occurrence of political instability **,** ~~and / or~~ terrorist activities **, or both** generally restricts travel to and from the affected areas, making it more difficult in general to manage **our** ~~the Company' s~~ international operations. In particular, the ~~conflict~~ **conflicts** between Russia and Ukraine ~~has~~ **and Israel and Hamas and the ongoing attacks by Houthi groups near the Suez canal have** and may continue to adversely impact macroeconomic conditions, give rise to regional instability and result in heightened economic sanctions from the U. S. and the international community in a manner that adversely affects our business. **Our** ~~The Company' s~~ business could be harmed by the occurrence of natural disasters ~~or other emergencies -~~, **pandemics (** including the COVID- 19 pandemic **)** or other **emergencies** ~~pandemic diseases -~~. The occurrence of a natural disaster, such as an earthquake, tsunami, fire, flood or hurricane, ~~or~~ the **outbreak of a pandemic disease, such as a** further outbreak of ~~a pandemic disease, such as~~ COVID- 19 or a variant thereof, **or other emergencies** could significantly adversely affect **our** ~~the Company' s~~ business. A natural disaster or a pandemic disease could significantly adversely affect both the demand for **our** ~~the Company' s~~ products as well as the supply of the components and materials used to make **our** ~~the Company' s~~ products. Demand for golf products ~~also~~ could be negatively affected as consumers in the affected regions restrict their recreational activities and as tourism to those areas declines. **In addition, during** ~~If the Company' s suppliers experienced~~ a **pandemic, such** ~~significant disruption in their business~~ as ~~a result of a natural disaster or other emergency, including~~ the COVID- 19 pandemic **, domestic and international governmental authorities around the world may issue orders, mandates, decrees and directives, including travel restrictions, " stay- at home " orders and " social distancing " measures and business shutdowns that may negatively impact our customers' ability to access our entertainment offerings. For example, during the COVID- 19 pandemic, certain of our Topgolf venues were required to be closed for a period of time under government orders, mandates, decrees and directives. These measures adversely affected our workforce, customers, consumer sentiment, economies, and financial markets. The COVID- 19 pandemic, along with decreased consumer spending, led to an economic downturn in many of our markets. As a result, our business, operating results and financial condition were, and may in the future be, materially and adversely affected. Future outbreaks of other diseases such as avian flu, sudden acute respiratory syndrome (also known as SARS), swine flu or influenza may similarly impact our business. If our suppliers experienced a significant disruption in their business as a result of a natural disaster, pandemic, including the COVID- 19 pandemic** or a further outbreak, **or** ~~the~~ **other** ~~Company' s~~ **emergency, our** ability to obtain the necessary components to make ~~its~~ **our** products could be significantly adversely affected. **The** ~~In addition, the~~ occurrence of a natural disaster or the outbreak of a pandemic disease ~~generally~~ **may also** ~~restricts -~~ **restrict** travel to and from the affected areas, making it more difficult in general to manage **our operations, including an inability or difficulty in obtaining a supply of**

components and materials used to make our products. For example, we use various contract manufacturers in Asia for the production of our non- urethane golf balls, including Launch Technologies, which provided a significant portion of our non- urethane golf ball supply. In September 2023, ~~the~~ **there** ~~Company~~ **was a fire at the Launch Technologies golf ball manufacturing plant in Pintung County, Taiwan. A portion of our value oriented golf balls were manufactured in the facility that was directly impacted by the fire, including the Topgolf range balls. The majority of the golf balls supplied to us by Launch Technologies were manufactured in a separate dedicated facility that was not directly impacted by the fire. However, this separate facility was not operational for nearly six months following the fire, due to both the ongoing investigation and certain shared resources, and only recently resumed operations. Accordingly, we were required to source golf ball production from alternative manufacturing facilities. If, in a future natural disaster or other emergency, we are not able to arrange for alternative sources of supply, our business and results of operations may be adversely affected. To the extent a natural disaster, pandemic (including the COVID- 19 pandemic) or other emergency adversely affects our business, financial condition and results of operations, it may also have the effect of heightening many of the other risks described in this Item 1A and " Management** ' s **Discussion and Analysis of Financial Condition and Results of** ~~operations~~ **Operations " under Item 7 below, including, without limitation, risks relating to changes in demand for our products and services or the supply of the components and materials used to make our products, level of indebtedness, need to generate sufficient cash flows to service our indebtedness, ability to comply with the obligations and financial covenants contained in our existing credit facilities, availability of adequate capital, the ability to execute our strategic plans, U** . ~~The Company' s~~ **S. trade, tax or other policies that restrict imports or increase import tariffs, ability to successfully operate our expanding retail stores and venues, and regulatory restrictions. Our** business is subject to both seasonal and non- seasonal fluctuations, which could result in fluctuations in ~~its~~ **our** operating results and stock price. **Our** ~~The Company' s~~ business is subject to both seasonal and non- seasonal fluctuations. In the golf equipment business, **our** ~~the Company' s~~ first- quarter sales generally represent **our** ~~the Company' s~~ sell- in to the golf retail channel of ~~its~~ **our** golf club products for the new golf season. **Our** ~~The Company' s~~ second and third- quarter sales generally represent reorder business for golf clubs. Sales of golf clubs during the second and third quarters are significantly affected not only by the sell- through of **our** ~~the Company' s~~ products that were sold into the channel during the first quarter but also by the sell- through of products by **our** ~~the Company' s~~ competitors. Retailers are sometimes reluctant to reorder **our** ~~the Company' s~~ products in significant quantities when they already have excess inventory of products ~~of the Company~~ **from us or** ~~or~~ **our** ~~its~~ competitors. **Our golf ball** ~~The Company' s~~ sales ~~of golf balls~~ are generally associated with the number of rounds played in the areas where **our** ~~the Company' s~~ products are sold. Therefore, golf ball sales tend to be greater in the second and third quarters, when the weather is good in most of **our** ~~the Company' s~~ key regions and the number of rounds played increase. Golf ball sales are also stimulated by product introductions as the retail channel takes on initial supplies. Like those of golf clubs, reorders of golf balls depend on the rate of sell- through. **Our** ~~The Company' s~~ golf- related sales during the fourth quarter are generally significantly less than those of the other quarters because in many of **our** ~~the Company' s~~ key regions fewer people are playing golf during that time of year due to cold weather. Furthermore, **we** ~~the Company~~ generally ~~announces~~ - **announce** ~~its~~ **our** new golf product line in the fourth quarter to allow retailers to plan for the new golf season. Such early announcements of new products could cause golfers, and therefore **our** ~~the Company' s~~ customers, to defer purchasing additional golf equipment until **our** ~~the Company' s~~ new products are available. Such deferments could have a material adverse effect on sales of **our** ~~the Company' s~~ current products or result in closeout sales at reduced prices. **Our** ~~The Company' s~~ expanding apparel business is expected to experience stronger revenue during different times of the year than **our** ~~the Company' s~~ golf- related business. A portion of the sales of **our** ~~the Company' s~~ apparel products ~~is~~ **are** dependent in part on the weather and likely to decline in years in which weather conditions do not stimulate demand for **our** ~~the Company' s~~ apparel products. Periods of unseasonably warm weather in the fall or winter or unseasonably cold weather in the spring and summer could have a material adverse effect on **our** ~~the Company' s~~ business, financial condition and results of operations. Unintended inventory accumulation by customers resulting from unseasonable weather in one season generally negatively affects orders in future seasons, which could have a material adverse effect on **our** ~~the Company' s~~ business, financial condition and results of operations. In particular, **our** ~~the Company' s~~ Jack Wolfskin business focuses primarily on outerwear and consequently experiences stronger sales for such products during the cold- weather months and the corresponding prior sell- in periods. A significant portion of the Jack Wolfskin business is highly dependent on cold- weather seasons and patterns to generate consumer demand for cold- weather apparel. Consumer demand for Jack Wolfskin- branded cold- weather products may be negatively affected to the extent global weather patterns trend warmer, reducing typical patterns of cold- weather events or increasing weather volatility, which could materially adversely affect **our** ~~the Company' s~~ business, financial condition and results of operations. **Our** ~~The Company' s~~ Topgolf business is similarly expected to experience stronger revenue at different times of the year as a result of both seasonal and non- seasonal fluctuations. Historically, **our** Topgolf ~~' s~~ venues experience nominally higher second and third quarter revenue associated with the spring and summer. First and fourth quarters have historically had lower revenue at venues as compared to the other quarters due to cooler temperatures. Seasonality is likely to continue to be a factor in the quarterly results related to the Topgolf segment and, as a result, factors affecting peak seasons at **our** Topgolf ~~' s~~ venues, such as adverse weather, could have a disproportionate effect on operating results. **Our** Topgolf ~~' s~~ operating results also fluctuate significantly quarter to quarter and year to year due to non- seasonal factors. For example, poor results of operations at one or a limited number of venues could significantly affect overall profitability. Additionally, the timing of new venue openings and the timing of Toptracer Range installations may result in significant fluctuations in quarterly performance. Due to the substantial up- front financial requirements to open new venues, the investment risk related to any single venue is much larger than that associated with many other entertainment venues. ~~Topgolf~~ **We** typically ~~incurs~~ - **incur** a majority of pre- opening costs for a new Company- operated venue within three months of the venue opening. In addition, due to the seasonality of **our** ~~the Company' s~~ business, **our** ~~the Company' s~~ business can be significantly adversely affected by unusual or severe weather conditions and by severe weather conditions caused by climate change. Unfavorable weather conditions generally result in fewer golf rounds played, which generally results in reduced demand for all golf products, and in particular, golf balls. Furthermore, catastrophic storms can negatively affect golf rounds played both during the storms and afterward, as storm damaged golf courses are repaired and golfers focus on repairing the damage to their homes, businesses and communities. With respect to the Topgolf business, historically Topgolf venues have increased guest traffic and spending during spring and summer months, as compared to months experiencing adverse weather conditions. Consequently, sustained adverse weather conditions could materially affect **our** ~~the Company' s~~ sales across ~~its~~ **our** different business lines . Changes in equipment standards under applicable...... the Company' s sales and business . Any significant changes in U. S. trade or other policies that restrict imports or increase import tariffs could have a material adverse effect on **our** ~~the Company' s~~ results of operations. A significant amount of **our** ~~the Company' s~~ products are manufactured in Mexico, China, Vietnam and Bangladesh and other regions outside of the United States. In recent years, the U. S. government has implemented substantial changes to U. S. trade policies, including import restrictions, increased import tariffs and changes in U. S. participation in multilateral trade agreements, such as the United States- Mexico- Canada Agreement to replace the former North American Free Trade Agreement. The U. S. government has assessed supplemental tariffs on certain goods imported from China, resulting in China' s assessment of retaliatory tariffs on certain imports of U. S. goods into China. In addition, the United States has assessed or proposed supplemental tariffs and quantitative restrictions on U. S. imports of certain products from other countries as well. U. S. trade policy continues to evolve in this regard. Such changes could prevent or make it difficult or more expensive for **us** ~~the Company~~ to obtain the components needed for new products, which could affect **our** ~~the Company' s~~ sales ~~. The recent increase in import tariffs impacted the Company' s business in 2020, 2021 and 2022, and could continue to impact the Company' s business in 2023~~ . Further tariff increases could require **us** ~~the Company~~ to increase ~~its~~ **our** prices, which likely would decrease customer demand for ~~its~~ **our** products. Retaliatory tariff and trade measures imposed by other countries could affect **our** ~~the Company' s~~ ability to export products and therefore adversely affect ~~its~~ **our** sales. Any significant changes in current U. S. trade or other policies that restrict imports or increase import tariffs could have a material adverse effect upon **our** ~~the Company' s~~ results of operations. **Our** ~~The Company' s~~ current senior management team and other key executives are critical to **our** ~~the Company' s~~ success, and the loss of, and failure to adequately replace, any such individual could significantly harm **our** ~~the Company' s~~ business. **Our** ~~The Company' s~~ ability to maintain ~~its~~ **our** competitive position is dependent to a large degree on the efforts and skills of ~~the~~ senior officers ~~of the Company~~ . **Our** ~~The Company' s~~ executives are experienced and highly qualified with strong reputations in ~~their~~ **our** industries, and **we** ~~the Company believes~~ - **believe** that ~~its~~ **our** management team enables ~~it~~ **us** to pursue **our** ~~the Company' s~~ strategic goals. The success of **our** ~~the Company' s~~ business is dependent upon the management and leadership skills of ~~its~~ **our** senior management team and other key personnel. Competition for these individuals' talents is intense, and **we** ~~the Company~~ may not be able to attract and retain a sufficient number of qualified personnel in the future. The loss of one or more of these senior officers could have a material adverse effect on **us** ~~the Company~~ and ~~its~~ **our** ability to achieve ~~its~~ **our** strategic goals. Certain of **our** ~~the Company' s~~ stockholders, if they choose to act together, have the ability to significantly control or influence all matters submitted to stockholders for approval. As of December 31, ~~2022~~ **2023** , PEP TG Investments LP (" Providence "), DDFS Partnership LP and Dundon 2009 Gift Trust (together, " Dundon "), TGP Investors, LLC, TGP Investors II, LLC, WestRiver Management, LLC, Anderson Family Investments, LLC and TGP Advisors, LLC (together, " WestRiver "), each of whom acquired shares of **our** ~~the Company' s~~ common stock in connection with the merger with Topgolf **in 2021** , own, in the aggregate, approximately ~~23~~ **21** . ~~4~~ **8** % of **our** ~~the Company' s~~ capital stock. Scott M. Marimow is affiliated with Providence, **C** ~~Thomas G~~ . ~~Dundon~~ **Matthew Turney** is affiliated with Dundon and Erik J ~~.~~ Anderson is affiliated with WestRiver, each of whom serve on **our** ~~the Company' s~~ board of directors. In addition, pursuant to a stockholders agreement entered into with certain **former** Topgolf stockholders in connection with the merger, Providence and certain **former** Topgolf stockholders affiliated with Dundon and WestRiver have the right to designate one person (for a total of three persons) to be appointed or nominated, as the case may be, for election to **our** ~~the Company' s~~ board of directors for so long as such stockholder maintains beneficial ownership of 50 % or more of the shares of **our** ~~the Company' s~~ common stock owned by them on the closing date of the merger. **Commencing in April 2023, WestRiver no longer held sufficient shares to maintain its right to designate a nominee for director, although Mr. Anderson continues to serve as WestRiver' s previously appointed designee to the Board.** As a result, if these stockholders were to choose to act together, they would be able to significantly influence all matters submitted to **our** ~~the Company' s~~ stockholders for approval, as well as **our** ~~the Company' s~~ management and affairs. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover or other business combination involving **us** ~~the Company,~~ or discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders. Risks Related to Operations, Manufacturing, and Technology **We have** ~~The Company has~~ significant international operations and ~~is~~ **therefore** exposed to risks associated with doing business globally. **We** ~~The Company sells~~ - **sell** and ~~distributes~~ - **distribute** ~~its~~ **our** products directly in many key international markets in Europe, Asia, North America and elsewhere around the world. **We** ~~The Company~~ also ~~operates~~ - **operate** various international venues through the Topgolf business. These activities have resulted and will continue to result in investments in inventory, accounts receivable, employees, corporate infrastructure and facilities. In addition, there are a limited number of suppliers of golf club components in the United States, and **we are** ~~the Company is~~ dependent on suppliers and vendors located outside of the United States. The operation of foreign distribution in **our** ~~the Company' s~~ international markets, as well as the management of relationships with international suppliers and vendors, will continue to require the dedication of management and other Company resources. **We** ~~The Company manufactures~~ - **manufacture** most of ~~its~~ **our** products outside of the United States. With respect to the Topgolf business, ~~Topgolf has~~ **we have** both Company- operated and franchised venues located outside of the United States. In addition, ~~Topgolf has~~ **we have** Toptracer licensees operating Toptracer Range bays outside of the United States. ~~Topgolf~~ **We** also ~~uses~~ - **use** third- party manufacturers in Taiwan and China to produce the RFID- enabled golf balls and golf clubs used in ~~its~~ **our** venues, and sources certain of the components used in the Toptracer business line from third- party suppliers located in Germany, Taiwan and the United Kingdom. As a result of this international business, **we are** ~~the Company is~~ exposed to increased risks inherent in conducting business outside of the United States. These risks include the following: • ~~Adverse~~ **adverse** changes in foreign currency exchange rates can have a significant effect upon **our** ~~the Company’ s~~ results of operations, financial condition and cash flows; • ~~Increased~~ **increased** difficulty in protecting **our** ~~the Company’ s~~ intellectual property rights and trade secrets; • ~~Unexpected~~ **unexpected** government action or changes in legal or regulatory requirements; • ~~Social~~ **social** , economic or political instability; • ~~The~~ **the** effects of any anti- American sentiments on **our** ~~the Company’ s~~ brands or sales of **our** ~~the Company’ s~~ products or services; • ~~Increased~~ **increased** difficulty in ensuring compliance by employees, agents and contractors with **our** ~~the Company’ s~~ policies as well as with the laws of multiple jurisdictions, including but not limited to the U. S. Foreign Corrupt Practices Act (the “ FCPA ”), international environmental, health and safety laws, and increasingly complex regulations relating to the conduct of international commerce, including import / export laws and regulations, economic sanctions laws and regulations and trade controls; • ~~Changes~~ **changes** in international labor costs and other costs of doing business internationally; • ~~Increased~~ **increased** difficulty in controlling and monitoring foreign operations from the United States, including increased difficulty in identifying and recruiting qualified personnel for ~~its~~ **our** foreign operations; ~~and~~ • ~~Increased~~ **increased** exposure to interruptions in air carrier or ship services **; and • the occurrence of natural disasters or other emergencies, such as the fire in September 2023 at the Launch Technologies golf ball manufacturing plant in Pintung County, Taiwan, where a portion of our value oriented golf balls were manufactured** . Any significant adverse change in these and other circumstances or conditions relating to international operations could have a significant adverse effect on **our** ~~the Company’ s~~ operations, financial performance and condition. **We have** ~~The Company has~~ significant international sales and purchases, and unfavorable changes in foreign currency exchange rates could have a significant negative impact on **our** ~~the Company’ s~~ results of operations. A significant portion of **our** ~~the Company’ s~~ purchases and sales are international. As a result, **we** ~~the Company conducts~~ - **conduct** transactions in various currencies worldwide. **We** ~~The Company expects~~ - **expect** ~~its~~ **our** international business, and the number of transactions that ~~it~~ **are** ~~conducts~~ **conducted** in foreign currencies, to continue to expand. Conducting business in such currencies exposes **us** ~~the Company~~ to fluctuations in foreign currency exchange rates relative to the U. S. dollar. **Our** ~~The Company’ s~~ financial results are reported in U. S. dollars, and as a result, transactions conducted in foreign currencies must be translated into U. S. dollars for reporting purposes based upon the applicable foreign currency exchange rates. Fluctuations in these foreign currency exchange rates therefore may positively or negatively affect **our** ~~the Company’ s~~ reported financial results and can significantly affect period- over- period comparisons. The effect of the translation of foreign currencies on **our** ~~the Company’ s~~ financial results can be significant. **We** ~~The Company~~ therefore ~~engages~~ - **engage** in certain hedging activities to mitigate the annual impact of the translation of foreign currencies on **our** ~~the Company’ s~~ financial results. **Our** ~~The Company’ s~~ hedging activities can reduce, but will not eliminate, the effects of foreign currency fluctuations. The extent to which **our** ~~the Company’ s~~ hedging activities mitigate the effects of foreign currency translation varies based upon many factors, including the amount of transactions being hedged. Other factors that could affect the effectiveness of **our** ~~the Company’ s~~ hedging activities include accuracy of sales forecasts, volatility of currency markets and the availability of hedging instruments. Since the hedging activities are designed to reduce volatility, they not only reduce the negative impact of a stronger U. S. dollar but also reduce the positive impact of a weaker U. S. dollar. **Our** ~~The Company’ s~~ future financial results could be significantly affected by the value of the U. S. dollar in relation to the foreign currencies in which **we** ~~the Company conducts~~ - **conduct** business. Foreign currency fluctuations can also affect the prices at which products are sold in **our** ~~the Company’ s~~ international markets. **We** ~~The Company~~ therefore ~~adjusts~~ - **adjust** ~~its~~ **our** pricing based in part upon fluctuations in foreign currency exchange rates. Significant unanticipated changes in foreign currency exchange rates make it more difficult for **us** ~~the Company~~ to manage pricing in ~~its~~ **our** international markets. If **we are** ~~the Company is~~ unable to adjust ~~its~~ **our** pricing in a timely manner to counteract the effects of foreign currency fluctuations, **or if we increase our pricing too much to counteract** the ~~Company’ s~~ **effects of foreign currency fluctuations, our** pricing may not be competitive in the marketplace and **our** ~~the Company’ s~~ financial results in ~~its~~ **our** international markets could be adversely affected. The costs and availability of finished products, product components, raw materials and ingredients could affect **our** ~~the Company’ s~~ operating results. The costs and availability of the finished products, product components and raw materials needed in **our** ~~the Company’ s~~ products and services can be volatile as a result of numerous factors, including inflationary pressures and rising interest rates; general, domestic, and international economic conditions; labor costs; production levels; competition; consumer demand; import duties; tariffs; and currency exchange rates. This volatility can significantly affect the availability and cost of these items for us which could have a material adverse effect on **our** ~~the Company’ s~~ business, financial condition and results of operations. The materials, components and ingredients used by **us** ~~the Company~~ and ~~its~~ **our** suppliers involve raw materials, including synthetic rubber, thermoplastics, zinc stearate, zinc oxide and limestone for the manufacturing of **our** ~~the Company’ s~~ golf balls, titanium alloys, carbon fiber and steel for the assembly of **our** ~~the Company’ s~~ golf clubs, various fabrics used by suppliers in **our** ~~the Company’ s~~ apparel business and food and beverage ingredients, venue hardware and other supplies used in the Topgolf business. Significant price fluctuations or shortages in such raw materials, components or ingredients, including the costs to transport such materials, components or ingredients, the uncertainty of currency fluctuations against the U. S. dollar, increases in labor rates, interest rates, trade duties or tariffs, and / or the introduction of new and expensive raw materials, could materially adversely affect **our** ~~the Company’ s~~ business, financial condition and results of operations. The United States and many areas of the world, including areas in which **we** ~~the Company~~ and ~~its~~ **our** suppliers operate, have recently experienced historically high levels of inflation. In addition, prolonged periods of inflationary pressure on some or all input costs may result in increased costs to produce **our** ~~the Company’ s~~ products and provide **our** ~~the Company’ s~~ services that could have an adverse effect on profits from sales of **our** ~~the Company’ s~~ products and services, or require **us** ~~the Company~~ to increase prices for ~~its~~ **our** products and services that could adversely affect consumer demand for ~~its~~ **our** products and services. Many of **our** ~~the Company' s~~ golf equipment and apparel products are manufactured outside of the main sales markets in which **we** ~~the Company operates~~ - **operate** , which requires these products to be transported by third parties, sometimes over large geographical distances. Shortages in ocean, land or air shipment capacity and volatile fuel costs can result in rapidly changing transportation costs or an inability to transport products in a timely manner. Similarly, disruption to shipping and transportation channels due to labor disputes could cause **us** ~~the Company~~ to rely more heavily on alternative modes of transportation to achieve timely delivery to customers, resulting in significantly higher freight costs. Because **of** the ~~Company~~ prices ~~its~~ **of our** products prior to shipment, and as changes in transportation and other costs may be difficult to predict, **we** ~~the Company~~ may not be able to pass all or any portion of these higher costs on to ~~its~~ **our** customers or adjust ~~its~~ **our** pricing structure in a timely manner in order to remain competitive, either of which could have a material adverse effect on **our** ~~the Company' s~~ business, financial condition and results of operations. Any difficulties from strategic acquisitions that **we** ~~the Company pursues~~ - **pursue** or ~~consummates~~ - **consummate** , including **our** ~~its recent~~ merger with Topgolf, could adversely affect ~~its~~ **our** business, financial condition and results of operations. **We** ~~The Company~~ may acquire companies, businesses and products that complement or augment ~~its~~ **our** existing business. For example, in 2021, **we** ~~the Company~~ completed ~~its~~ **our** merger with Topgolf **and in 2023, we acquired certain assets related to the Swing Suite golf simulation technology from Full Swing Golf Holdings, LLC (" Full Swing ") and certain assets related to the BigShots Golf business from affiliates of Invited, Inc** . **We** ~~The Company~~ may not be successful in ~~its~~ **the** integration with ~~this~~ **these** ~~business~~ **businesses** or any other business that ~~it~~ **we** may acquire in the future or operate such acquired ~~business~~ **businesses** profitably. Integrating any newly acquired business ~~, including Topgolf,~~ is typically expensive and time- consuming. Integration efforts often take a significant amount of time, place a significant strain on managerial, operational and financial resources and could prove to be more difficult or expensive than predicted. The diversion of management' s attention and any delay or difficulties encountered in connection with any such acquisitions could result in the disruption of on- going business or inconsistencies in standards and controls that could negatively affect **our** ~~the Company' s~~ ability to maintain third- party relationships. Moreover, **we** ~~the Company~~ may need to raise additional funds through public or private debt or equity financing, or issue additional shares, to continue operating the Topgolf business, which may result in dilution for stockholders or the incurrence of indebtedness. As part of **our** ~~the Company' s~~ efforts to acquire companies, businesses or products or to enter into other significant transactions, **we** ~~the Company conducts~~ - **conduct** business, legal and financial due diligence with the goal of identifying and evaluating material risks involved in the transaction. Despite **our** ~~the Company' s~~ efforts, **we** ~~the Company~~ ultimately may be unsuccessful in ascertaining or evaluating all such risks and, as a result, might not realize the intended advantages of the transaction. If **we** ~~the Company fails~~ - **fail** to realize the expected benefits from previous acquisitions or other acquisitions ~~it~~ **we** may consummate in the future, whether as a result of unidentified risks, integration difficulties, complexities associated with managing the combined business, performance shortfalls at one or both of the companies as a result of the diversion of management' s attention caused by completing the transaction and integrating **our** ~~the companies'~~ operations, litigation with current or former employees and other events, **our** ~~the Company' s~~ business, financial condition and results of operations could be adversely affected. If **we** ~~the Company~~ inaccurately ~~forecasts~~ - **forecast** demand for ~~its~~ **our** products, ~~it~~ **we** may manufacture either insufficient or excess quantities, which, in either case, could adversely affect ~~its~~ **our** financial performance. **We** ~~The Company plans~~ - **plan** ~~its~~ **our** manufacturing capacity based upon the forecasted demand for ~~its~~ **our** products. Forecasting the demand for **our** ~~the Company' s~~ products is very difficult given the manufacturing lead time and the amount of specification involved. For example, **we** ~~the Company~~ must forecast well in advance not only how many drivers ~~it~~ **we** will sell, but also (1) the quantity of each driver model, (2) the quantity of the different lofts in each driver model, and (3) for each driver model and loft, the number of left- handed and right- handed versions. Forecasting demand for specific soft goods and apparel products can also be challenging due to changing consumer preferences and competitive pressures and longer supply lead times. The nature of **our** ~~the Company' s~~ business makes it difficult to adjust quickly ~~its~~ **our** manufacturing capacity if actual demand for ~~its~~ **our** products exceeds or is less than **the** forecasted demand. If actual demand for ~~its~~ **our** products exceeds the forecasted demand, **we** ~~the Company~~ may not be able to produce sufficient quantities of new products in time to fulfill actual demand, which could limit **our** ~~the Company' s~~ sales and adversely affect ~~its~~ **our** financial performance. On the other hand, if actual demand is less than the forecasted demand for ~~its~~ **our** products, **we** ~~the Company~~ could produce excess quantities, resulting in excess inventories and related obsolescence charges that could adversely affect **our** ~~the Company' s~~ financial performance. **Our** ~~The Company' s~~ expanding international operations could be harmed if ~~it~~ **we** ~~fails~~ - **fail** to successfully transition ~~its~~ **our** business processes on a global scale. As **we** ~~the Company expands~~ - **expand** ~~its~~ **our** global footprint, ~~its~~ **our** business could be harmed if ~~it~~ **we** ~~fails~~ - **fail** to successfully transition ~~its~~ **our** business processes on a global scale. This expansion to a global scale requires significant investment of capital and human resources, the re- engineering of many business processes, and the attention of many managers and other employees who would otherwise be focused on other aspects of our business. If **our** ~~the Company' s~~ globalization efforts fail to produce planned operational efficiencies, or the transition is not managed effectively, **we** ~~the Company~~ may experience excess inventories, inventory shortage, late deliveries, lost sales, or increased costs. Any business disruption arising from **our** ~~the Company' s~~ expanding international operations, or ~~its~~ **our** failure to realize operational efficiencies, could harm ~~its~~ **our** business, financial condition and results of operations. **We** ~~The Company~~ may not be able to obtain and maintain licenses and permits necessary to operate ~~its~~ **our** Topgolf business and ~~its~~ **our** venues in compliance with applicable laws, regulations and other requirements, which could adversely affect ~~its~~ **our** business, results of operations and financial condition. The development, construction and operation of **our** Topgolf ~~' s~~ venues depend, to a significant extent, on the selection of suitable sites, which are subject to zoning, land use, environmental, traffic and other regulations and requirements. ~~Topgolf is~~ **We are** also subject to licensing and regulation by federal, state, local and foreign authorities relating to, among other things, alcoholic beverage control, amusement, health, sanitation, stormwater and wastewater management, protection of endangered and threatened plant, wildlife and species, wetlands protection, safety and fire standards. Typically, licenses, permits and approvals under such laws and regulations must be renewed annually and may be revoked, suspended or denied renewal for cause at any time if governmental authorities determine that **our** ~~Topgolf' s~~ conduct violates applicable regulations. In some jurisdictions, the loss of a license for cause with respect to one location may lead to the loss of licenses at all locations in that jurisdiction and could make it more difficult to obtain additional licenses. With respect to the sale of alcoholic beverages, each of **our** Topgolf ~~' s~~ venues is required to obtain a license to sell alcoholic beverages on the premises from a state authority and, in certain locations, county and municipal authorities. Certain jurisdictions, however, have only a fixed number of liquor licenses available. As a result, in order to obtain a license in one of these jurisdictions, ~~Topgolf is~~ **we are** required to purchase that license from another business, which ~~it~~ **we** may not be able to do on acceptable terms or at all. Alcoholic beverage control regulations impact numerous aspects of the daily operations of each venue, including the minimum age of patrons and Playmakers, hours of operation, advertising, wholesale purchasing, other relationships with alcohol manufacturers, wholesalers and distributors, inventory control and the handling, storage and dispensing of alcoholic beverages. Any failure by one of **our** ~~Topgolf' s~~ venues to comply with these regulations, or any failure of a franchisee or licensee to comply with similar regulations to which ~~its~~ **our** business is subject, could result in fines or the loss or suspension of the liquor license for that venue or business, and potentially the loss or suspension of other licenses in that jurisdiction. Difficulties or failure in obtaining a liquor license or any other licenses, permits or approvals, or in continuing to qualify for, or being able to renew, any existing licenses, permits or approvals, could adversely affect existing venues, or **our** ~~Topgolf' s~~ ability to develop or construct venues, and delay or result in **our** ~~Topgolf' s~~ decision to cancel the opening of new venues, which could have a material adverse effect on ~~its~~ **our** business, results of operations and financial condition. Similarly, the inability of any franchisee or licensee to maintain or obtain the licenses, permits and approvals required to develop, construct or operate one or more of their locations would also reduce franchise and licensing revenues, impair growth prospects and adversely affect **our** ~~Topgolf' s~~ business, results of operation and financial condition. **We** ~~The Company depends~~ - **depend** on ~~single source or~~ a limited number of suppliers for some of the components of ~~its~~ **our** products, and the loss of any of these suppliers could harm ~~its~~ **our** business. **We are** ~~The Company is~~ dependent on a limited number of suppliers for ~~its~~ **our** clubheads and shafts **. Furthermore** , some of **our** ~~which are single sourced. Furthermore, some of the Company' s~~ products require specially developed manufacturing techniques and processes which make it difficult to identify and utilize alternative suppliers quickly. In addition, many of **our** ~~the Company' s~~ suppliers may not be well capitalized and prolonged unfavorable economic conditions could increase the risk that they will go out of business. If current suppliers are unable to deliver clubheads, shafts or other components, or if **we are** ~~the Company is~~ required to transition to other suppliers, **we** ~~the Company~~ could experience significant production delays or disruption to ~~its~~ **our** business. **We** ~~The Company~~ also ~~depends~~ - **depend** on ~~a single or~~ a limited number of suppliers for the materials ~~it~~ **we** ~~uses~~ - **use** to make ~~its~~ **our** golf balls. Many of these materials are customized for **us** ~~the Company~~ . Any delay or interruption in such supplies could have a material adverse impact on **our** ~~the Company' s~~ golf ball business. If **we** ~~the Company experiences~~ - **experience** any such delays or interruptions, **we** ~~the Company~~ may not be able to find adequate alternative suppliers at a reasonable cost or without significant disruption to ~~its~~ **our** business. A significant disruption in the operations of **our** ~~the Company' s~~ golf club assembly and golf ball manufacturing and assembly facilities could have a material adverse effect on **our** ~~the Company' s~~ sales, profitability and results of operations. A significant disruption at any of **our** ~~the Company' s~~ golf club or golf ball manufacturing facilities or distribution centers in the United States or in regions outside the United States could materially and adversely affect **our** ~~the Company' s~~ sales, profitability and results of operations. ~~The Company' s~~ **For example, in September 2023, there was a fire at the Launch Technologies golf ball manufacturing plant in Pintung County, Taiwan, where a portion of our value oriented golf balls were manufactured. However, we were able to mitigate the impact to our golf ball business by shifting supply to our Chicopee manufacturing facility and other suppliers. If, however, in a future disruption, we are not able to arrange for alternative sources of supply, our business and results of operations may be adversely affected. In addition, our** manufacturing facilities and distribution centers are highly automated, which means that their operations are complicated and may be subject to a number of risks related to computer viruses, the proper operation of software and hardware, electronic or power interruptions, and other system failures. Risks associated with upgrading or expanding these facilities may significantly disrupt or increase the cost **our** ~~of the Company' s~~ operations, which may have an immediate, or in some cases prolonged, impact on **our** ~~the Company' s~~ margins. For example, in 2019 **we** ~~the Company~~ substantially completed a significant expansion and technical upgrade to ~~its~~ **our** golf ball manufacturing facility in Chicopee, Massachusetts. Difficulties in implementing new or upgraded technology or operational systems, including at ~~its~~ **our** Chicopee facility, could disrupt **our** ~~the Company' s~~ operations and could materially and adversely affect **our** ~~the Company' s~~ financial condition, results of operations or cash flows. A disruption in the service or a significant increase in the cost of **our** ~~the Company' s~~ primary delivery and shipping services for ~~its~~ **our** products and component parts or a significant disruption at shipping ports could have a material adverse effect on **our** ~~the Company' s~~ business. **We** ~~The Company uses~~ - **use** United Parcel Service (" UPS ") for substantially all ground shipments of products to ~~its~~ **our** U. S. customers. **We** ~~The Company uses~~ - **use** air carriers and ocean shipping services for most of ~~its~~ **our** international shipments of products. Furthermore, many of the components **we** ~~the Company uses~~ - **use** to build ~~its~~ **our** golf clubs, including clubheads and shafts, are shipped to **us** ~~the Company~~ via air carrier and ship services. For a portion of ~~the year ended December 31,~~ 2022, international shipping to the United States was disrupted and delayed due to congestion in west coast ports. If there is any **similar** ~~continued or additional~~ significant interruption in service by such providers or at airports or shipping ports, **we** ~~the Company~~ may be unable to engage alternative suppliers or to receive or ship goods through alternate sites in order to deliver ~~its~~ **our** products or components in a timely and cost- efficient manner. As a result, **we** ~~the Company~~ could experience manufacturing delays, increased manufacturing and shipping costs and lost sales as a result of missed delivery deadlines and product demand cycles. Any significant interruption in UPS services, air carrier services, ship services or at airports or shipping ports could have a material adverse effect on **our** ~~the Company' s~~ business. Furthermore, if the cost of delivery or shipping services were to increase significantly and the additional costs could not be covered by product pricing, **our** ~~the Company' s~~ operating results could be materially adversely affected. Instances of food- borne illness and outbreaks of disease could negatively impact **our** Topgolf ~~' s~~ business. Incidents or reports of food- borne or water- borne illness or other food safety issues, food contamination or tampering, ~~Associate~~ **Playmaker** hygiene and cleanliness failures or improper ~~Associate~~ **Playmaker** conduct at **our Topgolf** venues could lead to product liability or other claims or poor health inspection scores. Such incidents or reports could negatively affect **our** ~~Topgolf' s~~ brand and reputation as well as ~~its~~ **our** business, revenues and profits regardless of whether the allegations are valid or whether ~~Topgolf is~~ **we are** held to be responsible. Similar incidents or reports occurring at **Topgolf** franchisees' or licensees' businesses **, BigShots,** or other businesses unrelated to ~~Topgolf~~ **us** could likewise create negative publicity, which could negatively impact consumer behavior towards ~~Topgolf~~ **us** . There can be no guarantee that **our** ~~Topgolf' s~~ internal policies and training will be fully effective in preventing all food- borne illnesses at ~~its~~ **our** venues. In addition, because ~~Topgolf does~~ **we do** not control the day- to- day operations of **Topgolf and BigShots** franchisees ~~and~~ **,** licensees, there can be no guarantee that **these** franchisees and licensees will implement appropriate internal policies and training intended to prevent food- borne illnesses, that their employees will follow such policies and training or that such policies and training will be effective even if complied with. Furthermore, **our** ~~Topgolf' s~~ reliance, and the reliance by any **Topgolf or BigShots** franchisees **,** or licensees, on third- party food processors, distributors and suppliers makes it difficult to monitor food safety compliance and may increase the risk that food- borne illness would affect multiple locations rather than a single venue. Some food- borne illness incidents could be caused by third- party food suppliers and transporters outside of **our** ~~Topgolf' s~~ control. New illnesses resistant to **our** ~~Topgolf' s~~ current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of food- borne illness in one of ~~the~~ **our** Company- operated or franchised venues, or poor health inspection scores, if highly publicized, could negatively affect revenues at all of **our** Topgolf ~~' s~~ venues by changing consumers' perceptions of **our** ~~Topgolf' s~~ venues and the food that ~~it~~ **we** ~~offers~~ - **offer** , negatively impacting demand for menu offerings and reducing guest visits at venues. This risk is particularly great with respect to franchised venues given **our** ~~Topgolf' s~~ limited oversight, and exists even if ~~it~~ **we** were later determined that the illness was wrongly attributed to a Company or a franchisee- operated venue. There is also a risk that instances of food- borne illness at a licensee' s businesses could be improperly attributed to ~~Topgolf~~ **us** . Additionally, even if food- borne illnesses were not identified at or otherwise attributed to a Topgolf venue, **our** ~~Topgolf' s~~ revenue could be adversely affected if instances of food- borne illnesses at other businesses were highly publicized. A number of companies have experienced incidents related to food- borne illnesses ~~that~~ have had material adverse effects on their business, operations and financial condition, and there can be no assurance that ~~Topgolf~~ **we** could avoid a similar impact if such an incident were to occur at one or more ~~of~~ **Topgolf** venues. Guest complaints, litigation on behalf of guests or Playmakers or other proceedings may adversely affect **our** ~~Topgolf' s~~ business, results of operations and financial condition. ~~Topgolf~~ **We** may be adversely affected by legal or governmental proceedings brought by or on behalf of guests, Playmakers, suppliers, commercial partners, franchisees, licensees or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of such proceedings, particularly class actions and regulatory actions, is difficult to assess or quantify. In recent years, a number of companies in **our** ~~Topgolf' s~~ industry and adjacent industries have been subject to lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace and employment matters, discrimination and similar matters, and a number of these lawsuits have resulted in the payment of substantial damages by the defendants. ~~Topgolf~~ **We** could also face potential liability if ~~it is~~ **we are** found to have misclassified certain Playmakers as exempt from the overtime requirements of the federal Fair Labor Standards Act and state labor laws, or if ~~it is~~ **we are** found to have failed to provide or continue health insurance or benefits to Playmakers in violation of the Employee Retirement Income Security Act or the PPACA of 2010. Additionally, ~~Topgolf~~ **we** ~~faces~~ - **face** potential liability if ~~it is~~ **we are** found to have failed to comply with data privacy laws relating to the collection **and processing** of ~~data~~ **information** about Playmakers ~~/~~ **,** employees **, and other individuals** , such as **the collection and** use of biometric information under state biometric information statutes. ~~Topgolf has~~ **We have** had, from time to time, such lawsuits pending, and there can be no guarantee that ~~Topgolf~~ **we** will not be named in any such lawsuit in the future or that ~~Topgolf~~ **we** will not be required to pay substantial expenses and / or damages at the conclusion of such future lawsuits. In addition, from time to time, guests file complaints or lawsuits against ~~Topgolf~~ **us** alleging that ~~it is~~ **we are** responsible for some illness or injury they suffered at or after a visit to a venue. From time to time, animal activist and other third- party special interest groups may bring claims before government agencies or lawsuits against ~~Topgolf~~ **us** relating to the impact of ~~its~~ **our** venues. ~~Topgolf is~~ **We are** also subject to a variety of other claims in the ordinary course of business, including personal injury, lease and contract claims. ~~Topgolf is~~ **We are** also subject to " dram shop " statutes in certain states in which ~~its~~ **our** venues are located. These statutes generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated individual. ~~Topgolf has~~ **We have** been in the past, and may be in the future, the subject of lawsuits that allege violations of these statutes. Recent litigation under dram shop statutes has resulted in significant judgments and settlements against other businesses and establishments similar to **our** Topgolf ~~' s~~ venues. Because these cases often seek punitive damages, which may not be covered by insurance, such litigation if successful could have an adverse effect on **our** ~~Topgolf' s~~ business, results of operations and financial condition. Regardless of whether any claims against ~~Topgolf~~ **us** are valid or whether ~~Topgolf is~~ **we are** liable, claims may be expensive to defend, generate negative publicity, divert time and money away from core operations and hurt financial performance. Similarly, claims brought against **Topgolf** franchisees and licensees may generate negative publicity that could harm **our** ~~Topgolf' s~~ brand and reputation. Although ~~Topgolf~~ **we** ~~maintains~~ - **maintain** what ~~it~~ **we** ~~believes~~ - **believe** to be adequate levels of insurance to cover any liabilities ~~it~~ **we** may face, insurance may not be available at all or in sufficient amounts with respect to these or other matters. Any negative publicity concerning such claims, whether involving ~~Topgolf~~ **us** or franchisees or licensees, or any judgment or other liability significantly in excess of **our** ~~Topgolf's~~ insurance coverage or not covered by insurance, could have a material adverse effect on ~~its~~ **our** business, results of operations and financial condition. The Topgolf venues business is susceptible to the availability and cost of food commodities and other supplies, some of which are available from a limited number of suppliers, which subjects ~~Topgolf~~ **us** to possible risks of shortages, interruptions and price fluctuations. The profitability of the venues business line depends in part on **our** ~~Topgolf's~~ ability to anticipate and react to changes in product costs. The price and availability of food commodities and other supplies may be affected by a number of factors beyond **our** ~~Topgolf's~~ control, including changes in general economic conditions, seasonal economic fluctuations, increased competition, general inflation, shortages or supply interruptions due to weather, disease (including the COVID- 19 pandemic) or other factors, food safety concerns, product recalls, fluctuations in the U. S. dollar and changes in government regulations. These and other events could increase commodity prices or cause shortages that could affect the cost and quality of the items that ~~Topgolf~~ **we** ~~buys~~ - **buy** or require ~~Topgolf~~ **us** to raise prices or limit menu options. The profitability of the venues business line may also be adversely affected by increases in the price of utilities, such as natural gas, electric, and water, whether as a result of inflation, shortages, interruptions in supply or otherwise. While ~~Topgolf has~~ **we have** historically been able to partially offset inflation and other changes in the costs of core operating resources used in the venues business line by gradually increasing menu prices, coupled with more efficient purchasing practices, productivity improvements and greater economies of scale, there can be no assurance that ~~Topgolf~~ **we** or franchisees will be able to continue to do so in the future. From time to time, competitive or macroeconomic conditions could limit menu pricing flexibility, and there can be no assurance that increased menu prices will be fully absorbed by guests without any resulting change to their visit frequencies or purchasing patterns that may offset such increases. If ~~Topgolf~~ **we or** ~~or~~ **our** ~~its~~ franchisees are unable to increase prices in response to higher food commodity and other supplies costs, or if such price increases decrease guest traffic or purchasing patterns, **our** ~~Topgolf's~~ operating results could be materially and adversely affected. In addition, there can be no assurance that ~~Topgolf~~ **we** will generate same- venue sales growth in an amount sufficient to offset inflationary or other cost pressures. ~~Topgolf has~~ **We have** entered into a long- term contract with a single distributor, which ~~Topgolf~~ **we** ~~refers~~ - **refer** to as ~~its~~ **our** " broadline " distributor, which provides for the purchasing, warehousing and distributing of a substantial majority of **our** ~~Topgolf's~~ food, non- alcoholic beverage and other supplies. ~~Topgolf~~ **We** also ~~contracts~~ - **contract** directly with the suppliers of certain food and non- alcoholic beverage products, usually with a single supplier for each such product. These agreements, however, are typically for the purpose of establishing an agreed- upon price for the relevant product and do not require the supplier to provide **our** ~~Topgolf's~~ requirements, or any particular quantity, of such product. If **our** ~~Topgolf's~~ broadline distributor or any of ~~its~~ **our** other suppliers or substitute suppliers do not perform adequately or otherwise fail to deliver products or supplies to venues, if ~~Topgolf~~ **we** were to lose ~~its~~ **our** relationship with ~~its~~ **our** broadline distributor or any single- source suppliers for which ~~it~~ **we** has not approved a substitute supplier, or if any substitute suppliers also fail to perform, ~~Topgolf~~ **we** may be unable to find satisfactory replacements in a short period of time, on acceptable terms, or at all, which could increase costs, cause shortages of food and other items at venues and cause ~~Topgolf~~ **us** to remove certain items from ~~its~~ **our** menu, any of which could adversely affect ~~its~~ **our** business, results of operations and financial condition. Other than ~~forward~~ purchase ~~contracts~~ **orders** for certain food items, ~~Topgolf~~ **we** currently ~~does~~ **do** not engage in futures contracts or other financial risk management strategies with respect to potential price fluctuations in the cost of food commodities and other supplies. Furthermore, these arrangements generally are relatively short in duration and may provide only limited protection from price changes. In addition, the use of these arrangements may limit **our** ~~Topgolf's~~ ability to benefit from favorable price movements. In addition, the RFID- enabled golf balls and golf clubs that are used in **our** ~~Topgolf's~~ venues are produced by third- party manufacturers in Taiwan and China. As a result, natural disasters and other adverse events or conditions affecting these countries (including, without limitation, adverse weather conditions, political instability, war, civil unrest, economic instability, outbreaks of disease, such as the ~~current~~ COVID- 19 pandemic, or other public health emergencies and the impact of public fears regarding any of the foregoing) could halt or disrupt production, impair the movement of finished products out of these countries, damage or destroy the tooling and other equipment necessary to manufacture these products and otherwise cause ~~Topgolf~~ **us** to incur additional costs and expenses, any of which could also have a material adverse effect on ~~its~~ **our** results of operations and financial condition **. For example, in September 2023, there was a fire at the Launch Technologies golf ball manufacturing plant in Pintung County, Taiwan. Launch Technologies provided a significant portion of our non- urethane golf ball supply. A portion of our value oriented golf balls were manufactured in the facility that was directly impacted by the fire, including the Topgolf range balls. The majority of the golf balls supplied to us by Launch Technologies were manufactured in a separate dedicated facility that was not directly impacted by the fire. However, this separate facility was not operational for nearly six months following the fire, due to both the ongoing investigation and certain shared resources, and only recently resumed operations. Accordingly, we were required to source golf ball production from alternative manufacturing facilities** . The location of these manufacturers outside the United States also exposes ~~Topgolf~~ **us** to the various international risks. ~~and other functions.If our information systems fail to perform these functions adequately or if we experience an interruption in our operation,including a cybersecurity incident,our business and results of operations could suffer.All of our major operations,including manufacturing,distribution,sales and accounting,are~~ dependent upon ~~our~~ **the Company's** complex information systems. ~~Our~~ **The Company's** information systems ~~(and information stored therein)~~ are vulnerable to damage or interruption ~~or other compromise,~~ from ~~events including~~ :• ~~earthquake~~ **Earthquake** ,fire,flood,hurricane ~~or~~ **and** other natural disasters;• ~~power~~ **Power** loss,computer systems failure,Internet and telecommunications or data network failure;and • ~~hackers~~ **Hackers** ,computer viruses,software bugs ~~,~~ **or** glitches ~~or other cybersecurity incidents~~ .Any damage or significant disruption in the operation of such systems,the failure of **the Company's** ~~our~~ - **or** ~~or our~~ **the Company's** IT vendors' information systems to perform as expected,the failure to successfully integrate the ~~IT~~ **information technology** systems of the businesses that ~~we have~~ **the Company has** recently acquired or any security breach to the information systems (including financial or credit / payment frauds) ~~or other cybersecurity incident~~ would disrupt ~~our~~ **the Company’ s** business,which may result in decreased sales,increased overhead costs,excess inventory and product shortages and otherwise adversely affect ~~our~~ **the Company’ s** reputation,operations,financial performance and condition. ~~Cybersecurity incidents,including cyber~~ **Cyber** - attacks,unauthorized access to,or accidental disclosure of, **consumer** personal information including payment card information,that ~~we or~~ **the Company** ~~our~~ - **or the Company’ s** vendors collects **through its websites** or stores on ~~our behalf~~ **its servers** may result in significant expense and negatively impact ~~our~~ **the Company’ s reputation and business.There is heightened concern and awareness over the security of personal information transmitted over the internet,consumer identity theft and user privacy.While the Company has implemented security measures,the Company’ s computer systems and those of its third** ~~The~~ **There is heightened concern and awareness over the security of personal information transmitted over the Internet, consumer identity theft and data privacy. While we have implemented security measures, our information systems and those of our third party vendors are nevertheless susceptible to numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of information systems and personal information, proprietary information belonging to our business and other confidential information (together, “ Sensitive Information ”) used in our business, including through electronic or physical computer break- ins, viruses and malware (e. g., ransomware), social engineering / phishing, malicious code, fraud, malfeasance by insiders, human or technological error, misconfigurations, “ bugs ” and other vulnerabilities in our and our vendors’ software, and other disruptions and security compromises involving the loss or unauthorized access of Confidential Information. Technologies and techniques used to obtain unauthorized access to or sabotage systems are constantly evolving, change frequently, and generally are not recognized until after they have been launched against a target. Even if identified, we and our vendors may be unable to adequately investigate, remediate or recover from breaches or cybersecurity incidents, or avoid a material adverse impact to our information systems, Sensitive Information or business, including due to threat actors increasingly using tools and techniques — including artificial intelligence — that are designed to circumvent controls, avoid detection, and remove or obfuscate forensic evidence. There can also be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our information systems and Sensitive Information, and we and certain of our third party vendors have and expect to continue to experience cyber- attacks and other incidents in varying degrees. For example, in August 2023, a threat actor obtained access to certain** Company **systems through social engineering. Customers experienced a temporary outage in e- commerce services, and certain personal information of approximately one million customers was affected, though no full payment card numbers or government identification numbers (such as Social Security numbers) were affected. We notified affected individuals, various regulators and law enforcement as a result. Moreover, we have acquired and continue to acquire companies with cybersecurity vulnerabilities and / or are similarly susceptible to the risks described above, which exposes us to significant cybersecurity, operational, and financial risks. Any perceived or actual unauthorized or inadvertent disclosure of personal information or adverse impact to the availability, integrity or confidentiality of our information systems or Sensitive Information, whether through a compromise of us or our third party vendors’ information systems by an unauthorized party, employee theft, misuse or error, cyber- attack or otherwise, could harm our reputation, impair our ability to attract or retain customers and Playmakers, require us to notify payment brands if payment card information is accessed or compromised, compel us to comply with federal and / or state breach notification laws and foreign equivalents, subject us to costly mandatory corrective action, or subject us to regulatory investigations and enforcement actions, claims or litigation (including class actions) arising from damages suffered by consumers, fines and penalties, and / or significant incident response, system restoration and future compliance costs, all of which could adversely affect our operations, financial performance and condition. Any losses, costs or liabilities may not be covered by, or may exceed the coverage limits of, any or all applicable insurance policies, and applicable insurance may not be available to us in the future on economically reasonable terms or at all. We** may be subject to ~~product~~ **products liability,** warranty **and recall** claims **, and** ~~that require the replacement or~~ **our** ~~repair of~~ **insurance coverage may not cover such claims. Our** products ~~sold. Such~~ **expose us to products liability,** warranty **and recall** claims ~~could adversely affect~~ **if the products we manufacture, sell or design actually or allegedly fail to perform as expected, or the use of** ~~the~~ **those products** ~~Company’ s~~ results **,** ~~of operations and relationships with its customers. The Company manufactures and / or distributes a variety of products and has a stated two- year warranty policy for~~ - **or** ~~its~~ - **is alleged to result** ~~golf clubs and certain Jack Wolfskin gear~~ , **in personal injury, death** ~~as well as a limited lifetime warranty for~~ - **or property damage** ~~its OGIO line of products~~ . From time to time, ~~such~~ **our** products may contain manufacturing defects or design flaws that are not detected prior to sale, particularly in the case of new product introductions or upon design changes to existing products. The failure to identify and correct manufacturing defects and product design issues prior to the sale of those products could result in **safety- related issues or** ~~product~~ **products** ~~warranty~~ **liability** claims ~~that result in costs~~ **. If we fail** to ~~replace or repair any such~~ **identify and correct a manufacturing** ~~defective~~ --- **defect or design issue prior to sale, we may have to recall our** products **to address the defect or compliance- or safety- related issues** . Because many of **our** ~~the Company’ s~~ products are sold to retailers for broad consumer distribution and / or to customers who buy in large quantities, there could be significant costs associated with such product **recalls** ~~warranty claims~~ , including the potential for customer dissatisfaction that may adversely affect **our** ~~the Company’ s~~ reputation and relationships with ~~its~~ **our** customers, which may result in lost or reduced sales. ~~The~~ **There** ~~Company’ s~~ **can be no assurance that we can successfully defend or settle any products liability cases arising from any actual or alleged manufacturing defect or design flaw. Our insurance policies provide coverage against claims resulting from alleged injuries arising from our products sustained during the respective policy periods, subject to policy terms and conditions; however, there can be no assurance that this coverage will be renewed or otherwise remain available in the future, that our insurers will be financially viable when payment of**

a claim is required, that the cost of our insurance will not increase, that insurance coverage will remain economical to maintain, or that our insurance coverage will be adequate. As a result, an adverse outcome in a products liability case could increase our expenses and harm our business, financial condition and results of operations. Our growth initiatives require significant capital investments and there can be no assurance that **we** ~~the Company~~ will realize a positive return on these investments. Initiatives to upgrade **our** ~~the Company' s~~ business processes and invest in technological improvements to **our** ~~the Company' s~~ manufacturing and assembly facilities involve many risks which could result in, among other things, business interruptions and increased costs, any of which may result in **our** ~~the Company' s~~ inability to realize returns on ~~its~~ **our** capital investment. Expansion of business processes or facilities, including the significant expansion and technical upgrade to **our** ~~the Company' s~~ golf ball manufacturing facility in Chicopee, Massachusetts, requires significant capital investment. If **we have** ~~the Company has~~ insufficient sales or ~~is~~ **are** unable to realize the full potential of ~~its~~ **our** capital investment, ~~it~~ **we** may not realize a positive return on ~~its~~ **our** investment, which could impact **our** ~~the Company' s~~ margins and have a significant adverse effect on **our** ~~the Company' s~~ results of operations, financial condition and cash flows. Some of **our products and services in the** Topgolf **business** ~~' s products and services~~ contain open source software, which may pose particular risks to ~~its~~ **our** proprietary software, technologies, products, and services in a manner that could harm ~~its~~ **our** business. The Topgolf business uses open source software in ~~its~~ **our** products and services and anticipates using open source software in the future. Some open source software licenses require those who distribute open source software as part of their own software products to publicly disclose all or part of the source code to such software product or to make available any modifications or derivative works of the open source code on unfavorable terms or at no cost. This could allow competitors to create similar technologies with less development effort and in less time and could lead to a loss of sales of **our** ~~Topgolf' s~~ products and services. The terms of many open source licenses to which ~~Topgolf is~~ **we are** subject have not been interpreted by U. S. or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on **our** ~~Topgolf' s~~ ability to provide or distribute products or services. Additionally, ~~Topgolf~~ **we** could face claims from third parties claiming ownership of, or demanding release of, works that ~~it~~ **we** developed using open source software, which could include **our** ~~Topgolf' s~~ proprietary source code, or otherwise seeking to enforce the terms of, or alleging breach of, the applicable open source license. These claims could result in litigation and could require ~~Topgolf~~ **us** to make ~~its~~ **our** proprietary software source code freely available, purchase a costly license, or cease offering the implicated products or services unless and until ~~it~~ **we** can re- engineer them to avoid infringement. This re- engineering process could require ~~Topgolf~~ **us** to expend significant additional research and development resources, and there can be no guarantee that ~~it~~ **we** will be successful. Additionally, the use of certain open source software can lead to greater risks than use of third- party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open source software, and there can be no assurance that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect **our** ~~Topgolf' s~~ business. ~~Topgolf has~~ **We have** processes to help alleviate these risks, including a review process for screening requests from developers for the use of open source software, but ~~Topgolf~~ **we** cannot be sure that all open source software is identified or submitted for approval prior to use in ~~its~~ **our** products and services. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could adversely affect **our** ~~Topgolf' s~~ business, financial condition and results of operations. Failure to adequately enforce **our** ~~the Company' s~~ intellectual property rights could adversely affect ~~its~~ **our** reputation and sales. The golf club industry, in general, has been characterized by widespread imitation of popular club designs. **We have** ~~The Company has~~ an active program of monitoring, investigating and enforcing ~~its~~ **our** proprietary rights against companies and individuals who market or manufacture counterfeits and " knockoff " products. **We** ~~The Company asserts~~ - **assert** ~~its~~ **our** ~~rights~~ - **right** against infringers of ~~its~~ **our** copyrights, patents, trademarks and trade dress. However, these efforts may not be successful in reducing sales of golf products by these infringers. Additionally, other golf club manufacturers may be able to produce successful golf clubs which imitate **we** ~~the Company' s designs~~ - **design** without infringing any of **our** ~~the Company' s~~ copyrights, patents, trademarks or trade dress. With respect to **our** ~~the Company' s~~ apparel business, counterfeits are known to exist in the industry, including in the premium outdoor apparel segment within which Jack Wolfskin operates. The failure to prevent or limit such infringers or imitators could adversely affect **our** ~~the Company' s~~ reputation and sales. With respect to the Topgolf business, ~~the~~ **our** ability ~~of the Company~~ to expand the Topgolf business lines and establish and maintain ~~its~~ **our** competitive position in new and existing markets depends in part on ~~its~~ **our** ability to further build brand recognition using ~~its~~ **our** trademarks, service marks, proprietary products and technologies and other intellectual property rights, as well as ~~its~~ **our** ability to maintain, protect and enforce such rights. ~~Topgolf relies~~ **We rely** upon a combination of intellectual property rights, such as trademarks, trade dress, domain names, copyrights, trade secrets and patents, in addition to technical measures and confidentiality and license agreements with Playmakers, contractors, consultants and other third parties with whom ~~Topgolf has~~ **we have** relationships, to establish, maintain, protect and enforce ~~its~~ **our** brand, proprietary information, technologies and processes and other intellectual property rights. The failure to enforce any such intellectual property rights may limit **our** ~~Topgolf' s~~ ability to achieve and maintain market recognition and ~~its~~ **our** competitive position may be harmed, each of which could adversely affect **our** ~~the Company' s~~ reputation and sales. **We** ~~The Company~~ may become subject to intellectual property claims or lawsuits that could cause ~~it~~ **us** to incur significant costs or pay significant damages or that could prohibit ~~it~~ **us** from selling ~~its~~ **our** products. **Our** ~~The Company' s~~ competitors in the golf equipment and apparel industry also seek to obtain patent, trademark, copyright or other protection of their proprietary rights and designs for golf clubs, golf balls and other products. From time to time, third parties have claimed or may claim in the future that **our** ~~the Company' s~~ products infringe upon their proprietary rights. **We** ~~The Company evaluates~~ - **evaluate** any ~~such claims~~ - **claim** and, where appropriate, ~~has~~ **have** obtained or sought to obtain licenses or other business arrangements. To date, there have been no significant interruptions in **our** ~~the Company' s~~ business as a result of any claims of infringement. However, in the future, intellectual property claims could force **us** ~~the Company~~ to alter ~~its~~ **our** existing products or withdraw them from the market or could delay the introduction of new products. Various patents have been issued to **our** ~~the Company' s~~ competitors in the golf industry and ~~these~~ **our** competitors may assert that **our** ~~the Company' s~~ golf products infringe their patent or other proprietary rights. If **our** ~~the Company' s~~ golf products are found to infringe third- party intellectual property rights, **we** ~~the Company~~ may be unable to obtain a license to use such technology, and ~~it~~ **we** could incur substantial costs to redesign ~~its~~ **our** products, withdraw them from the market, and / or to defend legal actions. With respect to the Topgolf business, intellectual property laws and procedures and restrictions provide only limited protection and any of Topgolf' s intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated. If **we** ~~the Company fails~~ - **fail** to protect such intellectual property rights adequately, ~~it~~ **we** may lose an important advantage in the markets in which ~~Topgolf~~ **we** ~~competes~~ - **compete** . However, these efforts may not be successful or may be ineffective, and any of ~~its~~ **our** intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. Other parties may also independently develop technologies that are substantially similar or superior to **ours** ~~Topgolf' s~~ . ~~Topgolf~~ **We** also may be forced to bring claims against third parties, or defend claims that third parties may bring against ~~Topgolf~~ **us** , to determine the ownership of what ~~Topgolf~~ **we** ~~regards~~ - **regard** as ~~its~~ **our** intellectual property. There can be no assurance that **our** ~~Topgolf' s~~ intellectual property rights will be sufficient to protect against others offering products, services, or technologies that are substantially similar or superior to **ours** ~~Topgolf' s~~ and that compete with ~~its~~ **our** business. If third parties misappropriate, infringe or otherwise violate **our** ~~Topgolf' s~~ intellectual property, the value of **our** ~~Topgolf' s~~ technologies, image, brand and the goodwill associated therewith may be diminished, **our** ~~Topgolf' s~~ brand may fail to achieve and maintain market recognition, and ~~its~~ **our** competitive position may be harmed, any of which could have a material adverse effect on ~~its~~ **our** business, including revenue. **Our** ~~The Company' s~~ brands may be damaged by the actions of ~~its~~ **our Topgolf** franchisees and licensees. **We** ~~The Company licenses~~ - **license** ~~its~~ **our** trademarks to third- party licensees who produce, market and sell their products bearing **our** ~~the Company' s~~ trademarks. **We** ~~The Company chooses~~ - **choose** ~~its~~ **our** licensees carefully and ~~imposes~~ - **impose** upon such licensees various restrictions on the products, and on the manner, on which such trademarks may be used. In addition, **we** ~~the Company requires~~ - **require** ~~its~~ **our** licensees to abide by certain standards of conduct and the laws and regulations of the jurisdictions in which they do business. However, if a licensee fails to adhere to these requirements, **our** ~~the Company' s~~ brands could be damaged. **Our** ~~The Company' s~~ brands could also be damaged if a licensee becomes insolvent or by any negative publicity concerning a licensee or if the licensee does not maintain good relationships with ~~its~~ **our** customers or consumers, many of which are also **our** ~~the Company' s~~ customers and consumers. In addition, **our** Topgolf ~~' s~~ franchisees and licensees are independent third parties that **we do** ~~the Company does~~ not control. Although franchisees are contractually obligated to operate their venues in accordance with specified standards, **We do** ~~the Company does~~ not oversee their daily operations. Consequently, the quality of franchised venues may be diminished by any number of factors beyond **our** ~~the Company' s~~ control. For example, franchisees may not hire and train qualified managers and other Playmakers, and may otherwise fail to operate their venues in a manner consistent with the requisite appropriate requirements. Similarly, though agreements with Toptracer Range licensees generally require licensees to comply with certain operational requirements, **we** ~~the Company exercises~~ - **exercise** even less control and oversight over the operations of these third parties. If **Topgolf** franchisees and licensees do not operate in accordance with **our** ~~the Company' s~~ expectations, or if one or more franchisees or licensees were to be the subject of unfavorable publicity, **our** ~~the Company' s~~ image and reputation could suffer materially. Sales of **our** ~~the Company' s~~ products by unauthorized retailers or distributors could adversely affect **our** ~~the Company' s~~ authorized distribution channels and harm **our** ~~the Company' s~~ reputation. Some of **our** ~~the Company' s~~ products find their way to unauthorized outlets or distribution channels. This " gray market " for **our** ~~the Company' s~~ products can undermine authorized retailers and foreign wholesale distributors who promote and support **our** ~~the Company' s~~ products, and can injure **our** ~~the Company' s~~ image in the minds of ~~its~~ **our** customers and consumers. On the other hand, stopping such commerce could result in a potential decrease in sales to those customers who are selling **our** ~~the Company' s~~ products to unauthorized distributors or an increase in sales returns over historical levels. While **we have** ~~the Company has~~ taken some lawful steps to limit commerce of ~~its~~ **our** products in the " gray market " in both the United States and abroad, ~~it has~~ **we have** not stopped such commerce. **We rely** ~~The Company relies~~ on research and development, technical innovation and high ~~-~~ quality products to successfully compete. Technical innovation and quality control in the design and manufacturing process is essential to **our** ~~the Company' s~~ commercial success. Research and development plays a key role in **our** ~~the Company' s~~ technical innovation and competitive advantage. **We rely** ~~The Company relies~~ upon experts in various fields to develop and test cutting edge performance products, including artificial intelligence. **We use artificial intelligence and machine learning algorithms and models for various purposes, including to design and develop portions of our golf clubs.** While **we** ~~the Company believes~~ - **believe** ~~it is~~ **we are** at the forefront of golf equipment innovation, if **we** ~~the Company fails~~ - **fail** to continue to introduce technical innovation in ~~its~~ **our** products, **are** ~~or is~~ unable to effectively utilize new technologies, such as artificial intelligence, **or cannot develop or offer new technological- driven products as effectively, quickly or cost- efficiently as our competitors,** consumer demand for ~~its~~ **our** products could decline, and if **we** ~~the Company experiences~~ - **experience** problems with the quality of ~~its~~ **our** products, **we** ~~the Company~~ may incur substantial brand damage and expense to remedy the problems, any of which could materially adversely affect ~~its~~ **our** business, financial condition and results of operations. **In addition** ~~The Company relies on complex information systems for management of its manufacturing~~ , ~~distribution~~ **as with many technological innovations** , ~~sales and other~~ - **there** ~~functions. If~~ **are significant risks involved in developing, maintaining and applying artificial intelligence and similar cutting edge technologies, and** ~~the~~ **there** ~~Company' s information systems fail~~ **can be no assurance that the usage of such technologies will always enhance our products or services or be beneficial** to ~~perform~~ **our business, including our efficiency or profitability. In particular, if** these ~~functions adequately~~ **methods are incorrectly designed** or **implemented** ~~if the Company~~

~~experiences an~~ **and** ~~interruption in their operation~~ **/ or are adversely impacted by unforeseen defects** , **technical challenges,** ~~including a breach in cyber security~~ **cybersecurity threats or material performance issues** , ~~its~~ **the performance of our products and** business **, as well as our reputation** and ~~results~~ **the reputations** of ~~operations~~ **our customers,** could suffer ~~. All of~~ **or we could incur liability through** the **violation of laws or contracts to which we** ~~Company' s major operations, including manufacturing, distribution, sales and accounting,~~ are **a** dependent upon the Company' s complex...... computer systems and those of its third party ~~vendors of IT and data security systems and services may nevertheless be susceptible to electronic~~ or **civil** ~~physical computer break- ins, viruses and malware (e. g., ransomware), malicious code, fraud, and other disruptions and security compromises involving the loss or unauthorized access of confidential information because technologies used to obtain unauthorized access to or sabotage systems are constantly evolving, change frequently, and generally are not recognized until they are launched against a target. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. Any perceived or actual unauthorized or inadvertent disclosure of personal information, whether through a compromise of the Company' s or its third party vendors' networks by an unauthorized party, employee theft, misuse or error or otherwise, could harm the Company' s reputation, impair the Company' s ability to attract website visitors, require us to notify payment brands if payment card information is accessed or compromised, compel us to comply with federal and / or state breach notification laws and foreign equivalents, subject us to costly mandatory corrective action, or subject the Company to~~ claims ~~or litigation arising from damages suffered by consumers, all of which could adversely affect the Company' s operations, financial performance and condition~~ . **Our** ~~Any losses, costs or liabilities may not be covered by, or may exceed the coverage limits of, any or all applicable insurance policies. The Company' s~~ business is subject to risks associated with leasing property subject to long- term, non- cancelable leases. **We** ~~The Company~~ typically ~~does~~ **do** not own any real property and generally ~~leases~~ - **lease** properties associated with **the** Topgolf **venues business** and certain active lifestyle businesses. Payments under non- cancelable leases account for a significant portion of operating expenses, and **we** ~~the Company expects~~ - **expect** to lease new properties, including for new Topgolf venues, in the future. Historically, **our** ~~the Company' s~~ leases typically provide for escalating rent provisions over the initial term and any extensions. **We** ~~The Company~~ generally cannot cancel these leases without substantial economic penalty. If an existing or future venue or retail location is not profitable, and **we** ~~the Company decides~~ - **decide** to close it, **we** ~~the Company~~ may nonetheless be committed to perform ~~its~~ **our** obligation under the applicable lease, including, among other things, paying all or a portion of the base rent for the remainder of the lease term, unless **we are** ~~the Company is able~~ **unable** to negotiate a termination agreement with the applicable landlord, which ~~it~~ **we** cannot guarantee that ~~it~~ **we** will be able to do without incurring significant additional payment and other obligations or at all. **Extreme weather conditions, climate change, and natural disasters could negatively impact our results of operations and financial condition. Extreme weather conditions in the areas in which our Topgolf venues, retail stores, customers, including golf participants, operations and vendors are located could adversely affect our operating results and financial condition. For example, our Topgolf venues may see a decrease in traffic during extremely hot or cold temperatures or during ice or snow storms, which may adversely affect our results of operations and financial condition. Additionally, extreme storms, droughts or other water shortages may negatively impact the number of golf rounds played, as golf courses in affected areas may require repair or have more limited availability. Climate change and natural disasters such as earthquakes, hurricanes and tsunamis, whether occurring in the United States or abroad, and their related consequences and effects, including energy shortages and public health issues, could also disrupt our operations or the operations of our Topgolf franchisees and licensees, the operations of our vendors, which may negatively impact our results of operations and financial condition. Acts or threats of violence at or near our owned or franchised Topgolf venues, including civil unrest, customer intimidation, interpersonal violence, active shooter situations and terrorism, could adversely impact our sales, which could materially adversely affect our business, operating results, cash flows and financial condition. Any act or threat of violence at or near our owned or franchised Topgolf venues, including civil unrest, customer intimidation, interpersonal violence, active shooter situations and terrorist activities, may result in personal injury or death, property damage, restricted access to our venues, venue closures, or any combination of the foregoing, in the short- term and, in the long- term, may cause our customers and staff to avoid our venues. Any such situation could adversely impact customer traffic and spending on game play and food and beverages at our venues and make it more difficult to fully staff our venues, any of which could materially adversely affect our business, operating results, cash flows and financial condition.** Risks Related to Regulations **We** ~~The Company~~ , ~~including~~ **as well as our** Topgolf ~~and its~~ franchisees and licensees, are subject to many federal, state, local and foreign laws, as well as other statutory and regulatory requirements, with which compliance is both costly and complex. Failure by ~~the Company~~ **us or** ~~or~~ **our** ~~Topgolf and its~~ franchisees or licensees to comply with, or changes in these laws or requirements, could have an adverse impact on ~~its~~ **our** business. **We are** ~~The Company is~~ subject to extensive federal, state, local and foreign laws and regulations, as well as other statutory and regulatory requirements. In particular, the Topgolf business is subject to extensive regulations, including, among others: • nutritional content labeling and disclosure requirements; • food safety regulations; • employment regulations; • the PPACA; • the ADA and similar state laws; • data privacy **, direct marketing** and cybersecurity laws; • environmental, health and human safety laws and regulations; • laws and regulations related to franchising and licensing operations; • FCPA and other similar anti- bribery and anti- kickback laws; and • laws regarding sweepstakes and promotional contests. **We are** ~~The Company is~~ also subject to U. S. financial services regulations, a myriad of consumer protection laws, including economic sanctions, laws and regulations, anticorruption laws, escheat regulations and data privacy **, direct marketing** and ~~security~~ **cybersecurity** regulations **. We may also become subject to laws relating to our use of artificial intelligence and machine learning technologies in our business** . Changes to legal rules and regulations, or interpretation or enforcement of them, could increase **our** ~~the Company' s~~ cost of doing business, affect ~~its~~ **our** competitive abilities, and increase the difficulty of compliance. Failure to comply with regulations may have an adverse effect on **our** ~~the Company' s~~ business, including the limitation, suspension or termination of services provided to, or by, third parties, and the imposition of penalties or fines. Many of **our** Topgolf ~~' s~~ franchisees and licensees are also subject to these or similar laws and regulations in the jurisdictions in which they operate. The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements and the consequences of litigation relating to current or future laws and regulations, uncertainty around future changes in laws made by new regulatory administrations or **our** ~~Topgolf' s~~ , ~~its~~ **or our** franchisees' and ~~its~~ licensees' inability to respond effectively to significant regulatory or public policy issues, could increase compliance and other costs of doing business and, therefore, have an adverse effect on **our results of operations or the results of operations of** Topgolf ~~' s results of operations or the results of operations of~~ franchisees and licensees. Failure to comply with the laws and regulatory requirements of applicable federal, state, local and foreign authorities could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability. In addition, certain laws, including the ADA, could require ~~Topgolf~~ **us** to expend significant funds to make modifications to ~~its~~ **our** venues if ~~it~~ **we** ~~fails~~ - **fail** to comply with applicable standards. Compliance with all of these laws and regulations, including any future changes in these laws or requirements, can be costly and can increase exposure to litigation or governmental investigations or proceedings. **Compliance** ~~Changes in, or any failure to comply~~ with ~~,~~ **and changes in** data privacy laws, regulations, ~~and~~ standards **and other requirements, and any actual or perceived failure by us to comply with such requirements,** may adversely affect **our** ~~the Company' s~~ business. Data privacy **is a** ~~and data security have become~~ significant ~~issues~~ - **issue** in ~~the United States, Europe, China, and in many other~~ -- **the** jurisdictions in which **we** ~~the Company operates~~ - **operate** . ~~The~~ **Global** regulatory ~~framework~~ **frameworks** for data privacy **are** ~~and security issues worldwide is~~ rapidly evolving and ~~is~~ **are** likely to ~~remain uncertain and~~ continue ~~evolving~~ **changing** for the foreseeable future. Federal, state **and** ~~, or~~ foreign government bodies or agencies have ~~in the past~~ adopted, and may **continue to** ~~in the future~~ adopt **,** additional ~~,~~ laws ~~and~~ **,** regulations ~~affecting~~ **and standards that apply to us and our vendors governing** data privacy **, direct marketing, cybersecurity, consumer protection and other issues related to the processing of personal information** . In the United States, these include rules and regulations promulgated under the authority of federal agencies, such as the Federal Trade Commission (**"** FTC **"**), ~~and~~ state attorneys general and legislatures and consumer protection agencies. ~~For~~ **At the federal level, for** example, the FTC Act grants the FTC authority to **take** ~~enforce~~ **enforcement actions** against **"** unfair or deceptive practices ~~, which the~~ **. " The** FTC has interpreted **the FTC Act** to require companies ~~' practices with respect~~ to **handle** personal information ~~comply~~ **in compliance** with the commitments posted in their privacy policies **and to adequately protect personal information** . With respect to the use of personal information for direct marketing ~~purposes~~ , **advertising and other activities conducted by telephone, email and the Internet, we are subject to** the Controlling the Assault of Non- Solicited Pornography and Marketing Act ~~of 2003~~ (**"** CAN- SPAM Act **"**), **which** establishes specific requirements for commercial email messages and ~~specifies penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content, and obligates, among other things, the sender of commercial emails to provide recipients with the ability to opt out of receiving future commercial emails from the sender. Further,~~ the Telephone Consumer Protection Act (**"** TCPA **"**) **, which** restricts telemarketing and the use of technologies that enable automatic calling and / or **SMS** messaging without proper ~~customer~~ consent, and is a ~~particularly~~ highly litigated issue **with numerous class action lawsuits filed in recent years resulting in multi- million dollar settlements to the plaintiffs** . Many **U. S.** states ~~in the United States~~ have ~~recently~~ enacted statutes and rules governing the ways in which businesses may collect, use, and ~~retain~~ **process** personal information. **For** ~~One such~~ example ~~is~~ **, we are subject to** the California Consumer Privacy Act (" CCPA "), which came into effect in 2020. ~~In addition, the California Privacy Rights Act (" CPRA ") was passed in November 2020 and took effect in January 2023 (with respect to information collected from and after January 2022), and significantly modified the CCPA, including by creating a new state agency that is vested with authority to implement and enforce the CCPA and CPRA. Moreover, other~~ **Other** states ~~, including Nevada, Virginia, Utah, and Colorado,~~ have **also** passed and may continue to pass similar ~~privacy- related~~ laws whose restrictions and requirements differ from those of California, which could require us to design, implement and maintain different types of state- based, privacy- related compliance controls and programs simultaneously in multiple states. Similar laws ~~relating to data privacy and security~~ have been proposed at the federal level as well. Such laws **can be enforced by state regulators (and the CCPA has a limited private right of action) and require, amongst other things, disclosures to individuals regarding our processing of personal information, providing rights to access, delete, correct and opt out of certain uses and disclosures of their personal information (including for advertising purposes). However, these laws** have ~~potentially~~ **overlapping but** conflicting requirements that **add additional complexity and potential legal risk,** could make compliance even more challenging, require us to expend significant resources to come into compliance, ~~and~~ restrict our ability to process certain personal information **and could result in changes to business practices and policies** . Internationally, many jurisdictions in which **we** ~~the Company operates~~ - **operate in** have established or enhanced their own data security and privacy legal framework with which ~~the Company~~ **we or** ~~or~~ **our** ~~its~~ customers must comply, including ~~but not limited to,~~ the European Union' s General Data Protection Regulation (" **EU GDPR "), the United Kingdom General Data Protection Regulation and Data Protection Act (" UK GDPR ") (the EU GDPR and UK GDPR together referred to as the "** GDPR "), which imposes stringent operational requirements, including ~~, for example, requiring expanded disclosures about how personal data is used, limitations on retention of information, mandatory data breach notification obligations, and~~ higher standards for obtaining consent to process personal **information** ~~data. The GDPR provides that EU member states may make their own additional laws and regulations in relation to certain data processing activities~~ . Recent legal developments ~~in the EU~~ have created complexity and uncertainty regarding **cross- border** transfers of personal information **outside Europe** ~~from the EU to " third countries~~ , **including** ~~" especially~~ the United States. **We currently rely on** ~~For example, in 2020, the Court of Justice of~~ the EU ~~invalidated~~ **standard contractual clauses, UK Addendum to** the EU **standard contractual clauses and** ~~- U. S. Privacy Shield Framework (a mechanism for~~ the **UK**

International Data Transfer Agreement, as relevant, to transfer ~~of~~ personal ~~information to~~ **data outside** the **EEA** ~~EU from the US)~~ and ~~made clear that~~ **the UK with respect to both intragroup and third party transfers. However,** reliance on standard contractual clauses ~~(another mechanism for the transfer of personal information outside of the EU)~~ alone may not be sufficient in all circumstances. **and we expect the existing legal complexity and uncertainty regarding international personal data transfers to continue.** In **particular** ~~March 2022~~ , **we expect** the ~~US and EU announced a new regulatory regime intended to replace the invalidated regulations; however, this~~ new EU- US Data Privacy Framework **(another mechanism** ~~has not been implemented beyond an executive order signed by President Biden on October 7, 2022 on Enhancing Safeguards~~ for **transfers of data outside** ~~United States Signals Intelligence Activities. European~~ -- **Europe)** ~~court and regulatory decisions subsequent~~ to **be challenged and** ~~the CJEU decision of July 16, 2020 have taken a restrictive approach to international~~ data transfers **to the U. S. and other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators** . As **regulatory** ~~supervisory authorities issue further~~ guidance ~~on personal~~ **and enforcement landscape in relation to** data ~~export~~ **exports continue to develop** ~~mechanisms, including circumstances where the SCCs cannot be used, and / or start taking enforcement action~~ , we could ~~suffer~~ **experience** additional costs, complaints and / or regulatory investigations or fines, and / or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our **operations and** financial results ~~. In addition, since the beginning of 2021, after the end of the transition period following the UK' s departure from the European Union, we are also subject to the UK data protection regime, which imposes separate but similar obligations to those under the GDPR and comparable penalties, including fines of up to £ 17. 5 million or 4 % of a noncompliant company' s global annual revenue for the preceding financial year, whichever is greater~~ . In many jurisdictions, enforcement actions and consequences for noncompliance are also rising. In addition to government regulation, privacy advocates and industry groups may propose new and different self- regulatory standards that either legally or contractually apply to **us** ~~the Company~~ . The changing legal and regulatory landscape could in the future further limit our ability to use and share personal information and require changes to our operating model. Any inability or perceived inability to adequately address data privacy and security concerns, even if unfounded, or comply with applicable data privacy ~~and data~~ **, direct marketing,** ~~security~~ **cybersecurity and consumer protection** laws, regulations, **standards,** and ~~policies~~ **other requirements** , could result in additional compliance costs, **proceedings (including class actions) and regulatory action,** penalties and liability to **us** ~~the Company~~ , damage ~~its~~ **to our** reputation **,** ~~and~~ - **an erosion of trust and changes to our business. If any of these events were to occur, our business, results of operations, and financial condition could be materially** adversely ~~affect~~ **affected** ~~its business~~ . Regulations related to " conflict minerals " require **us** ~~the Company~~ to incur additional expenses and could limit the supply and increase the cost of certain metals used in manufacturing **our** ~~the Company' s~~ products. The Commission' s rules require disclosure related to sourcing of specified minerals, known as conflict minerals, that are necessary to the functionality or production of products manufactured or contracted to be manufactured by public companies. The rules require companies to, under specified circumstances, undertake due diligence, disclose and report whether or not such minerals originated from the Democratic Republic of Congo or an adjoining country. **Our** ~~The Company' s~~ products may contain some of the specified minerals. As a result, **we** ~~the Company incurs~~ - **incur** additional expenses in connection with complying with the rules, including with respect to any due diligence that is required under the rules. In addition, the Commission' s implementation of the rules could adversely affect the sourcing, supply and pricing of materials used in **our** ~~the Company' s~~ products. There may only be a limited number of suppliers offering " conflict free " conflict minerals, and **we** ~~the Company~~ cannot be certain that ~~it~~ **we** will be able to obtain necessary " conflict free " minerals from such suppliers in sufficient quantities or at competitive prices. Because **our** ~~the Company' s~~ supply chain is complex, **we** ~~the Company~~ may also not be able to sufficiently verify the origins of the relevant minerals used in **our** ~~the Company' s~~ products through the due diligence procedures that **we** ~~the Company implements~~ - **implement** , which may harm **our** ~~the Company' s~~ reputation. **We** ~~The Company~~ could be adversely affected by any violations of economic sanctions laws and regulations, the FCPA, the U. K. Bribery Act, and other foreign anti- bribery laws. The FCPA generally prohibits companies and their intermediaries from making improper payments to non- U. S. government officials for the purpose of obtaining or retaining business. Other countries in which **we** ~~the Company operates~~ - **operate** also have anti- bribery laws, some of which prohibit improper payments to government and non- government persons and entities, and others (e. g., the FCPA and the U. K. Bribery Act) extend their application to activities outside of their country of origin. Economic and trade sanctions laws and regulations administered by the U. S. Department of the Treasury' s Office of Foreign Assets Control, the U. S. Department of State, and foreign jurisdictions impose requirements on **our** ~~the Company' s~~ operations and may prohibit or restrict transactions in certain countries and with certain designated persons. **Our** ~~The Company' s~~ policies mandate compliance with all applicable anti- bribery and sanctions laws. In certain regions of the world, strict compliance with anti- bribery laws may conflict with local customs and practices. In addition, **we** ~~the Company~~ may conduct business in certain regions through intermediaries over whom **we have** ~~the Company has~~ less direct control, such as subcontractors, agents, and partners (such as joint venture partners). Although **we have** ~~the Company has~~ implemented policies, procedures, and, in certain cases, contractual arrangements designed to facilitate compliance with applicable economic and trade sanctions and anti- bribery laws, **our** ~~the Company' s~~ officers, directors, employees, associates, subcontractors, agents, and partners may take actions in violation of **our** ~~the Company' s~~ policies, procedures, contractual arrangements, economic sanctions and anti- bribery laws. Any such violation, even if prohibited by **our** ~~the Company' s~~ policies, could subject **us** ~~the Company~~ and such persons to criminal and / or substantial civil penalties or other sanctions, which could have a material adverse effect on **our** ~~the Company' s~~ business, financial condition, cash flows, and reputation. **We are** ~~The Company is~~ subject to environmental, health and safety laws and regulations, which could subject **us** ~~the Company~~ to liabilities, increase ~~its~~ **our** costs or restrict ~~its~~ **our** operations in the future. **Our** ~~The Company' s~~ properties and operations are subject to a number of environmental, health and safety laws and regulations in each of the jurisdictions in which **we** ~~the Company operates~~ - **operate** . These laws and regulations govern, among other things, air emissions, water discharges, handling and disposal of solid and hazardous substances and wastes, soil and groundwater contamination and employee health and safety. **Our** ~~The Company' s~~ failure to comply with such environmental, health and safety laws and regulations could result in substantial civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring remedial or corrective measures, installation of pollution control equipment or other actions. **We** ~~The Company~~ , and in particular the Topgolf business as an operator **,** ~~and / or~~ owner **, or both** of the properties on which the venues are situated, may also be subject to liability for environmental investigations and cleanups, including at properties that **we** ~~the Company~~ currently or previously owned or operated, even if **we did not cause or know of** such contamination ~~was not caused or known by the Company~~ , and **we** ~~the Company~~ may face claims alleging harm to health or property or natural resource damages arising out of contamination or exposure to hazardous substances. Liability under environmental laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocating the responsibility. **We** ~~The Company~~ may also be subject to similar liabilities and claims in connection with locations at which hazardous substances, contaminates or wastes **we have** ~~the Company has~~ generated have been stored, treated, otherwise managed, or disposed. In addition, **our** ~~Topgolf' s~~ lease agreements **for Topgolf venues** typically provide that ~~Topgolf~~ **we** will indemnify the landlord for environmental conditions which may be found on or about the leased property. Accordingly, should unknown contamination be discovered at any of the properties ~~Topgolf~~ **we** ~~owns~~ - **own** , ~~operates~~ - **operate** or ~~leases~~ - **lease** , or should a release of hazardous material occur at one of these properties, ~~Topgolf~~ **we** could be required to investigate and clean up the release and could also be held responsible to a governmental entity or third parties for property or natural resource damage, personal injury and investigation and clean- up costs incurred by them in connection with the contamination, and these costs and liabilities could be substantial. ~~Topgolf~~ **We** may also be subject to liability under environmental laws as a result of contamination at properties **we, or our predecessors in interest,** previously owned or operated ~~by Topgolf or its predecessors in interest~~ or for third- party contaminated facilities to which ~~it has~~ **we have** sent waste for treatment or disposal. In the past, certain construction activities driven by **our** ~~Topgolf' s~~ development plans at certain sites (such as the removal of excess soil or the de- watering of shallow groundwater to install targets) have exposed, and any similar construction activities ~~Topgolf~~ **we** ~~undertakes~~ - **undertake** at other sites in the future may also expose, soil or water that has been contaminated from historical activities at the site which must be disposed of or otherwise handled or addressed in accordance with applicable environmental laws. With respect to any of the properties ~~Topgolf~~ **we** ~~owns~~ - **own** , ~~operates~~ - **operate** or ~~leases~~ - **lease** , the presence of contaminants (including as a result of failure to properly dispose of or otherwise handle or address any contaminants exposed by construction activities), or the failure to properly remediate a property, may impair **our** ~~Topgolf' s~~ ability to use, mortgage or sell that property in the future. As a result, any of these events, and the environmental conditions at or related to **our** ~~the Company' s~~ other current or former properties or operations, and / or the costs of complying with current or future environmental, health and safety requirements (which have become more stringent and complex over time), could materially adversely affect **our** ~~the Company' s~~ business, financial condition and results of operations. Increased scrutiny and changing expectations from investors, consumers, employees, regulators, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer attraction and retention, access to capital and employee recruitment and retention. Companies across all industries are facing increasing scrutiny related to their environmental, social and governance (" ESG ") practices and reporting. Investors, consumers, employees and other stakeholders have focused increasingly on ESG practices and placed increasing importance on the implications and social cost of their investments, purchases and other interactions with companies. With this increased focus, public reporting regarding ESG practices is becoming more broadly expected. Through our sustainability initiatives, we are committed to improving our ESG practices and have launched projects, and may from time to time set targets, with respect to improving our ESG practices. Our ability to execute on those projects and meet any targets are subject to risks and uncertainties, many of which are beyond our control, including the evolving regulatory requirements affecting ESG standards and disclosures, in the United States, the European Union and other jurisdictions in which we operate; the availability of suppliers that can meet sustainability, diversity and other ESG standards that we may set; our ability to recruit, develop and retain diverse talent; and the availability and cost of sustainable energy and raw materials used in our operations. If we fail, or are perceived to be failing, to meet the standards included in any ESG disclosure or the expectations of our various stakeholders, it could negatively impact our reputation, customer attraction and retention, access to capital and employee retention. In addition, our failure to comply with any applicable rules or regulations could lead to penalties and adversely impact our reputation, customer attraction and retention, access to capital and employee retention. Risks Related to Tax and Financial Matters Changes in tax laws and unanticipated tax liabilities could adversely affect **our** ~~the Company' s~~ effective income tax rate and profitability. **We are** ~~The Company is~~ subject to income taxes in the United States and numerous foreign jurisdictions. **Our** ~~The Company' s~~ effective income tax rate in the future could be adversely affected by a number of factors, including: changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws, the outcome of income tax audits in various jurisdictions around the world ~~, and any repatriation of non- U~~ . **We** ~~S. earnings for which the Company has not previously provided for U. S. taxes. The Company~~ regularly ~~assesses~~ -- **assess** all of these matters to determine the adequacy of ~~its~~ **our** tax provision. In addition, new income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, or interpreted, changed, modified or applied adversely to **us** ~~the Company~~ , any of which could adversely affect **our** ~~the Company' s~~ business operations and financial performance. **We are** ~~In particular, the U. S. government may enact significant changes to the taxation of business entities including, among others, a permanent increase in the corporate income tax rate, an increase in the tax rate applicable to the global intangible low- taxed income and elimination of certain exemptions, and the imposition of minimum taxes or surtaxes on certain types of income. The Company is~~ currently unable to predict whether such changes will occur and, if ~~so~~ **such changes occur**, the ultimate impact on ~~its~~ **our** business. To the extent that such changes have a negative impact on **us** ~~the Company~~, ~~or~~ **our** ~~its~~ suppliers or customers, including as a result of related uncertainty, these changes may materially and adversely impact **our business, financial condition, results of operations and cash flows. Over** the ~~Company~~ **past several years, the Organisation for Economic Co- operation and Development (the " OECD ") has been working on a base erosion and profit shifting (" BEPS ") project that seeks to establish certain international standards for taxing the worldwide income of multinational companies. As part of the OECD** ' s **BEPS project, over 130 member jurisdictions of the OECD Inclusive Framework have joined the Two- Pillar Solution to Address the Tax Challenges of the Digitalisation of the Economy, which includes a reallocation of taxing rights among jurisdictions and a global minimum tax rate of 15 %. As a result of these developments, the tax laws of certain countries in which we do business could change on a prospective or retroactive basis, and any such changes could increase our liabilities for taxes, interest and penalties, and therefore could materially adversely affect our** business, financial condition, results of operations and cash flows. **Our** ~~The Company' s~~ ability to utilize all or a portion of ~~its~~ **our** U. S. ~~deferred~~ **net operating losses and certain other** tax ~~assets~~ **attributes** may be subject to limitations. **We have** ~~The Company has~~ a significant amount of U. S. federal and state ~~deferred~~ tax assets, which include net operating loss carryforwards (" NOLs ") and **tax** credit carryforwards. **Our** ~~The Company' s~~ ability to utilize ~~its~~ **our** NOLs and **tax** credits to offset future taxable income and income tax liabilities may be deferred or limited significantly if **we** ~~the Company~~ were to experience an " ownership change " within the meaning of Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the " Code "). In general, an ownership change will occur if there is a cumulative change in ownership of **our** ~~the Company' s~~ stock by " 5- percent shareholders " (as defined in the Code) that exceeds 50 percentage points over a rolling three- year period. The determination of whether an ownership change has occurred for purposes of Sections 382 and 383 of the Code is complex and requires significant judgment. The extent to which **our** ~~the Company' s~~ ability to utilize ~~its~~ **our** NOLs and **tax** credits is limited as a result of such an ownership change depends on many variables, including the value of **our** ~~the Company' s~~ stock at the time of the ownership change. **We** ~~The Company~~ determined that an ownership change with respect to the Company occurred on the date of the Topgolf merger. In addition, Topgolf experienced an ownership change subsequent to the Topgolf merger. As such, **we are** ~~each of the Company and Topgolf is~~ subject under Sections 382 and 383 of the Code to a limitation on the utilization of ~~its~~ **our** NOLs and **tax** credits. However, these limitations are not expected to have any material impact on **us** ~~the Company~~. In addition, **we** ~~the Company~~ may experience ownership changes in the future as a result of subsequent shifts in **our** ~~the Company' s~~ stock ownership, some of which changes are outside of **our** ~~the Company' s~~ control. **We** ~~The Company continues~~ **continue** to monitor changes in ~~its~~ **our** ownership. If any further ownership change were to occur in any three- year period and **we** ~~the Company~~ were limited in the amount of NOLs and **tax** credits ~~it~~ **we** could use to offset taxable income or liability for income taxes, **our** ~~the Company' s~~ results of operations and cash flows may be adversely impacted. In addition, **our NOLs and tax credits acquired in the** Topgolf **merger** ~~' s NOLs~~ are presently expected to be subject to " separate return limitation year " limitations. Separate return limitation year NOLs **and tax credits** can only be used in years that both the consolidated group and the entity that created such NOLs **and tax credits** have taxable income **or income tax liabilities**, which may significantly limit **our** ~~the Company' s~~ ability to utilize **such** ~~Topgolf' s acquired~~ NOLs and tax credits in the future. **Our** ~~The Company' s~~ obligations and certain financial covenants contained under ~~its~~ **our** existing credit facilities expose ~~it~~ **us** to risks that could materially and adversely affect ~~its~~ **our** liquidity, business, operating results, financial condition and limit **our** ~~the Company' s~~ flexibility in operating ~~its~~ **our** business, including the ability to make any dividend or other payments on ~~its~~ **our** capital stock. **Our** ~~The Company' s~~ primary revolving credit facility is a senior secured asset- based revolving credit facility (as amended, the " **New** ABL Facility "), comprised of a U. S. facility, a German facility, a Canadian facility and a United Kingdom / Dutch facility, in each case subject to borrowing base availability under the applicable facility. **We** ~~The Company~~ also ~~maintains~~ **maintain** a Japan revolving credit facility, subject to borrowing base availability (as amended, the " 2022 Japan ABL Credit Facility ") ~~, and a Topgolf revolving credit facility (as amended, the " Topgolf Revolving Facility ")~~. The amounts outstanding under the **New** ABL Facility are secured by a first priority lien on certain assets, including cash (to the extent pledged by **us** ~~the Company~~), certain intellectual property, certain eligible real estate, inventory and accounts receivable of the Company and **its** ~~the Company' s~~ subsidiaries in the United States, Germany, Canada, the Netherlands and the United Kingdom (other than ~~Topgolf and its subsidiaries and~~ certain ~~other~~ excluded subsidiaries) and a second- priority lien on substantially all of the Company' s and ~~such~~ **its** subsidiaries' other assets. The amounts outstanding under the 2022 Japan ABL Credit Facility are secured by certain assets, including eligible inventory and eligible accounts receivable. The ~~amounts outstanding under the Topgolf Revolving Facility are secured by substantially all of the assets of Topgolf and its subsidiaries (subject to certain excluded subsidiaries). The~~ maximum availability under the **New** ABL Facility fluctuates with the general seasonality of the business, and increases and decreases with the changes in **our** ~~the Company' s~~ and ~~its~~ **our** applicable subsidiaries' **assets that are included in the applicable borrowing base, including certain** inventory and account receivable balances **, pledged cash, certain intellectual property and certain eligible real estate**. In addition to the revolving and ABL facilities described above, **we are** ~~the Company is~~ also the borrower under a senior secured term loan **B** facility (as amended, the " **2023** Term Loan ~~Facility~~ **B** ") that is guaranteed by **our** ~~the Company' s~~ U. S. subsidiaries (other than ~~Topgolf and its subsidiaries and certain other excluded subsidiaries), and Topgolf is the borrower under a senior secured term loan facility (as amended, the " Topgolf Term Loan Facility ") that is guaranteed by Topgolf' s US subsidiaries (subject to~~ certain excluded subsidiaries). The **2023** Term Loan ~~Facility~~ **B** is secured by a first- priority lien on the assets of the obligors thereunder (other than those for which the **New** ABL Facility has a first- priority lien and certain excluded assets), and a second- priority lien on the assets for which the **New** ABL Facility has a first- priority lien. The **New** ~~Topgolf Term Loan Facility is secured by substantially all of the assets of Topgolf and its guarantor subsidiaries. The~~ ABL Facility, the 2022 Japan ABL Credit Facility ~~,~~ **and** the **2023** Term Loan **B** ~~Facility, the Topgolf Revolving Facility, and the Topgolf Term Loan Facility~~ (collectively, the " Facilities ") include certain restrictions including, among other things, restrictions on the incurrence of additional debt, liens, dividends, stock repurchases and other restricted payments, asset sales, investments, mergers, acquisitions and affiliate transactions. Such limitations include restrictions on the amount **we** ~~the Company~~ can pay in annual cash dividends, including meeting certain restrictions on the amount of additional indebtedness and, in the case of the **New** ABL Facility, requirements to maintain a certain fixed charge coverage ratio under certain circumstances. If **we** ~~the Company experiences~~ **experience** a decline in revenues or adjusted EBITDA, **we** ~~the Company~~ may have difficulty paying interest and principal amounts due on ~~its~~ **our** Facilities or other indebtedness and meeting certain of the financial covenants contained in the **New** ABL Facility ~~or the Topgolf Revolving Facility~~. If **we are** ~~the Company is~~ unable to make required payments under any of the Facilities, or if **we** ~~the Company fails~~ **fail** to comply with the various covenants and other requirements of any of the Facilities or other indebtedness, **we** ~~the Company~~ would be in default thereunder, which would permit the holders of the indebtedness to accelerate the maturity thereof, which may also result in a cross- default under other Facilities or other indebtedness. Any default under any of the Facilities or other indebtedness could have a significant adverse effect on **our** ~~the Company' s~~ liquidity, business, operating results and financial condition and ability to make any dividend or other payments on **our** ~~the Company' s~~ capital stock. See Note 7. " Financing Arrangements " in the Notes to Consolidated Financial Statements in this Form 10- K for further discussion of the terms of the **New** ABL Facility, the 2022 Japan ABL Credit Facility ~~,~~ **and** the **2023** Term Loan **B** ~~Facility, the Topgolf Revolving Facility, and the Topgolf Term Loan Facility~~. **Our** ~~The Company' s~~ ability to generate sufficient positive cash flows from operations is subject to many risks and uncertainties, including future economic trends and conditions, demand for **our** ~~the Company' s~~ products and services, foreign currency exchange rates and other risks and uncertainties applicable to **us** ~~the Company~~ and ~~its~~ **our** business. No assurances can be given that **we** ~~the Company~~ will be able to generate sufficient operating cash flows in the future or maintain or grow ~~its~~ **our** existing cash balances. If **we are** ~~the Company is~~ unable to generate sufficient cash flows to make ~~its~~ **our** required payment obligations under the Facilities or to fund ~~its~~ **our** business, **we** ~~the Company~~ will need to increase ~~its~~ **our** reliance on ~~its~~ **our New** ABL ~~Facility and the Topgolf Revolving~~ Facility for needed liquidity. If ~~its~~ **our New** ABL ~~Facility or Topgolf Revolving~~ Facility is not then available or sufficient and **we are** ~~the Company is~~ not able to secure alternative financing arrangements, **our** ~~the Company' s~~ future operations would be materially, adversely affected. **We** ~~The Company~~ may need to raise additional funds from time to time through public or private debt or equity financings in order to execute ~~its~~ **our** growth strategy. **We** ~~The Company~~ may need to raise additional funds from time to time in order to take advantage of opportunities, including the expansion of ~~its~~ **our** business or the acquisition of complementary products, technologies or businesses; develop new products or expand existing lines of business, including the opening of new Topgolf venues; or respond to competitive pressures. With respect to ~~the~~ **our** Topgolf business in particular, **our** ~~the Company' s~~ ability to fund the construction and opening of new Topgolf venues may depend on ~~its~~ **our** ability to fund or otherwise secure financing for the associated development costs. ~~Topgolf has~~ **We have** historically financed the construction of venues through third- party developer or real estate financing companies. In these cases, while ~~Topgolf is~~ **we are** still required to fund a portion of venue development costs ~~itself~~ **ourselves**, ~~its~~ **our** financing partner will purchase or lease the land and fund a majority of venue development costs during and after construction, which reduces ~~its~~ **our** required capital outlay. Should these or similar financing arrangements become less available to ~~Topgolf~~ **us** in the future, whether due to changes in relationships with financing partners, legal, regulatory or other changes, including the availability of sufficient amounts of financing and conditions in the global financing markets and **our** ~~Topgolf' s~~ prospects and credit ratings, that make these financing arrangements less attractive to them or any other reason, **our** ~~Topgolf' s~~ growth prospects would be materially and adversely affected. In addition, in cases where ~~Topgolf is~~ **we are** not able to finance venue construction through one of ~~its~~ **our** financing partners, **we** ~~The Company~~ will be required to fund the full amount of venue development costs ~~itself~~ **ourselves**. If **we are** ~~the Company is~~ unable to finance the construction and development of new venues on acceptable terms or at all, or if ~~the Company~~ **we or** ~~or~~ **our** ~~its~~ financing partners default on ~~its~~ **our** or their respective obligations to fund construction, **we** ~~the Company~~ could be required to delay, significantly curtail or eliminate planned openings of additional Topgolf venues, which could have a material adverse effect on **our** ~~the Company' s~~ business, financial condition and results of operations. There can be no guarantee that **we** ~~the Company~~ will be able to timely secure financing on favorable terms, or at all, for any of the foregoing purposes. Any capital raised through the sale of equity or securities convertible into equity will dilute the percentage ownership of holders of **our** ~~the Company' s~~ common stock. Capital raised through debt financing would require **us** ~~the Company~~ to make periodic interest payments and may impose restrictive covenants on the conduct of ~~its~~ **our** business. Furthermore, additional financings may not be available on terms economically favorable to **us** ~~the Company~~, or at all, especially during periods of adverse economic conditions, which could make it more difficult or impossible for **us** ~~the Company~~ to obtain funding for the operation of ~~its~~ **our** business, for making additional investments in product development and for repaying outstanding indebtedness. A failure to obtain any necessary additional funding could prevent **us** ~~the Company~~ from making expenditures that may be required to grow ~~its~~ **our** business or maintain ~~its~~ **our** operations. Increases in interest rates could increase the cost of servicing **our** ~~the Company' s~~ indebtedness and have an adverse effect on **our** ~~the Company' s~~ results of operations and cash flows. **Our** ~~The Company' s~~ indebtedness outstanding under certain of ~~its~~ **our** credit facilities, including the **New** ABL Facility, the 2022 Japan ABL Credit Facility and the ~~Topgolf Facility~~ **2023 Term Loan B**, bears interest at variable rates. As a result, increases in interest rates increase the cost of servicing **our** ~~the Company' s~~ indebtedness and could materially reduce **our** ~~the Company' s~~ profitability and cash flows ~~. Beginning in March 2022, the Federal Reserve began raising the federal funds rate in an effort to curb inflation and has signaled it expects additional rate increases in the future~~. Increased interest rates could also make it difficult for **us** ~~the Company~~ to obtain financing at attractive rates, which could adversely impact **our** ~~the Company' s~~ ability to execute ~~its~~ **our** growth strategy or future acquisitions. Additionally, rising interest rates could have a dampening effect on overall economic activity, which could have an adverse effect on **our** ~~the Company' s~~ business. Goodwill and intangible assets represent a significant portion of **our** ~~the Company' s~~ total assets, and any impairment of these assets could negatively impact **our** ~~the Company' s~~ results of operations and shareholders' equity. **Our** ~~The Company' s~~ goodwill and intangible assets consist of goodwill from acquisitions, trade names, trademarks, service marks, trade dress, patents and other intangible assets. Accounting rules require the evaluation of **our** ~~the Company' s~~ goodwill and intangible assets with indefinite lives for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Such indicators include a sustained decline in **our** ~~the Company' s~~ stock price or market capitalization, adverse changes in economic or market conditions or prospects, and changes in **our** ~~the Company' s~~ operations. An asset is considered to be impaired when its carrying value exceeds its fair value. **We** ~~The Company determines~~ - **determine** the fair value of an asset based upon the discounted cash flows expected to be realized from the use and ultimate disposition of the asset. If in conducting an impairment evaluation **we** ~~the Company determines~~ - **determine** that the carrying value of an asset exceeded its fair value, **we** ~~the Company~~ would be required to record a non- cash impairment charge for the difference between the carrying value and the fair value of the asset. If a significant amount **our** ~~of the Company' s~~ goodwill and intangible assets were deemed to be impaired, **our** ~~the Company' s~~ results of operations and shareholders' equity would be significantly adversely affected. General Risk Factors **Our** ~~The continuing impact of " Brexit " may have a negative effect on our business. Following a national referendum and subsequent legislation, the United Kingdom formally withdrew from the European Union, commonly referred to as " Brexit, " and ratified a trade and cooperation agreement governing its future relationship with the European Union. Among other things, the agreement, which became effective in 2021, addresses trade, economic arrangements, law enforcement, judicial cooperation and governance. Because the agreement merely sets forth a framework in many respects that requires complex additional bilateral negotiations between the United Kingdom and the European Union, significant uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal. Brexit has led to legal uncertainty and divergent national laws and regulations as the United Kingdom continues to determine which European Union laws to replace or replicate, including financial laws and regulations, tax and customs laws, intellectual property rights, environmental, health and safety laws and regulations, employment laws and transport laws, which could increase the difficulty and cost of compliance. We cannot yet predict the full implications of Brexit, including whether it will increase our operational costs or otherwise materially adversely affect the Company' s business, financial condition and results of operations. The Company' s~~ insurance policies may not provide adequate levels of coverage against all claims and **we** ~~the Company~~ may incur losses that are not covered by ~~its~~ **our** insurance. **We** ~~The Company maintains~~ - **maintain** insurance of the type and in amounts that **we** ~~the Company believes~~ - **believe** is commercially reasonable and that is available to businesses in ~~its~~ **our** industry. **We carry** ~~The Company carries~~ various types of insurance, including general liability, auto liability, business interruption, workers' compensation and excess umbrella, from highly- rated insurance carriers. Market forces beyond **our** ~~the Company' s~~ control could limit the scope of the insurance coverage that **we** ~~the Company~~ can obtain in the future or restrict ~~its~~ **our** ability to buy insurance coverage at reasonable rates. **We** ~~The Company~~ cannot predict the level of the premiums that **we** ~~the Company~~ may be required to pay for subsequent insurance coverage, the level of any deductible and / or self - insurance retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks. In the event of a substantial loss, the insurance coverage that **we carry** ~~the Company carries~~ may not be sufficient to compensate **us** ~~the Company~~ for the losses **we** ~~the Company incurs~~ - **incur** or any costs ~~the Company is~~ **for which we are** responsible ~~for~~. If **our** ~~the Company' s~~ estimates or judgments relating to ~~its~~ **our** critical accounting policies prove to be incorrect, ~~its~~ **our** financial condition and results of operations could be adversely affected. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (" GAAP ") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. **We** ~~The Company bases~~ - **base** ~~its~~ **our** estimates on historical experience and on various other assumptions that **we** ~~the Company believes~~ - **believe** to be reasonable under the circumstances, as discussed below in " Management' s Discussion and Analysis of Financial Condition and Results of Operations, " contained in Item 7. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing **our** ~~the Company' s~~ consolidated financial statements include those related to revenue recognition; allowance for doubtful accounts; inventories; long- lived assets, goodwill and non-amortizing intangible assets; warranty policy; income taxes and provisional estimates due to the Tax Cuts and Jobs Act (the " Tax Act ") enacted in December 2017; share- based compensation; and foreign currency translation. **Our** ~~The Company' s~~ financial condition and results of operations may be adversely affected if ~~its~~ **our** assumptions change or if actual circumstances differ from those in ~~its~~ **our** assumptions, which could cause ~~its~~ **our** results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the price of ~~its~~ **our** common stock.